



Monthly Newsletter

Year 2024
March Edition

MISC Financial Calendar

1Q 2024	30 May 2024
2Q 2024	23 Aug 2024
3Q 2024	26 Nov 2024

Inside

Industry news highlights...

US LNG project permitting pause could cut newbuilding demand

Tanker market could shift again

Idle FPSOs draw strong market interest

Battle ignites for shipyard space and secondhand vessels

and more...

Energy shipping fleet data

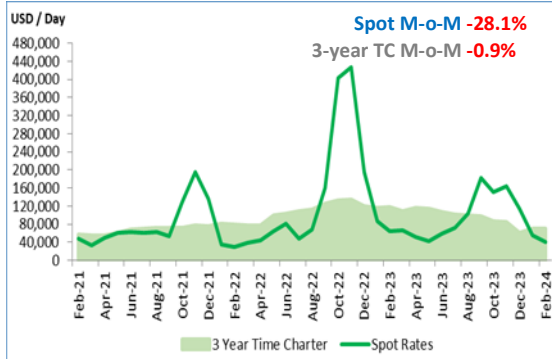
Freight Market

Asset Value

Fleet Development

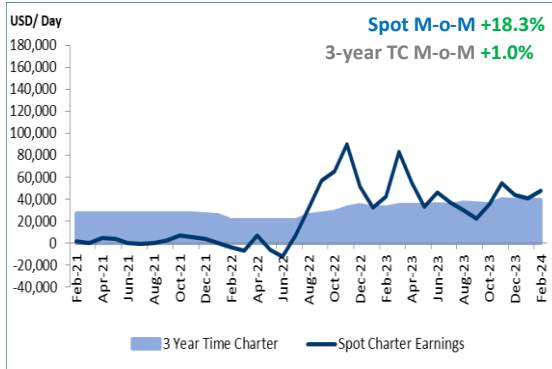
Deliveries & Demolitions

LNG Carrier



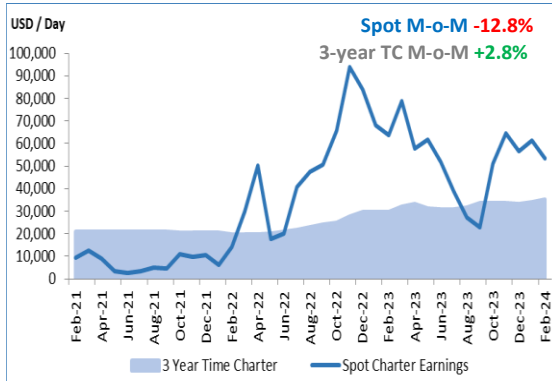
LNGC spot rates continued to fall due to the surplus of vessels caused by a mild winter and elevated inventory levels in Europe.

VLCC



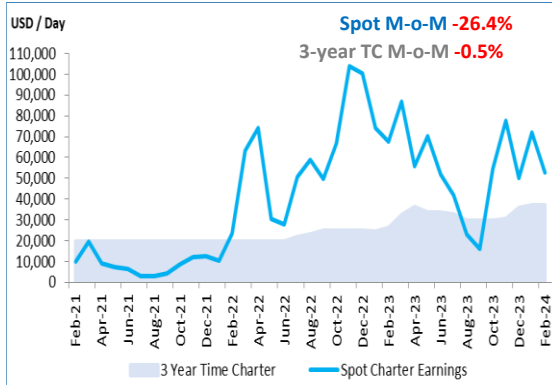
In February, VLCC rates rebounded as tankers avoided the Red Sea. Asia refineries are now opting sourcing from the Persian Gulf over the Atlantic, which boosted the demand for VLCC asset class.

Suezmax



Spot rates for Suezmax declined slightly in February, primarily attributable to the softening of the US Gulf market and influx of cargo supply from the Persian Gulf into the Atlantic region, stemming from disruptions in the Red Sea.

Aframax



Similarly, Aframax spot rates declined in February amidst high vessel availability and limited cargoes in both the Mediterranean and the Black Sea.

Industry News Highlights

GAS CARRIERS

Ninety-five newbuildings needed to cover LNG project demand, says GTT

TradeWinds

Up to 95 vessels may need to be ordered to fulfil the needs for the contracted supply of LNG plants under construction according to membrane type cargo containment system designer, GTT. QatarEnergy has recently announced that it will be moving ahead with an additional 16 mtpa expansion plan that will boost its production to 142 mtpa by the end of this decade. The sector's ageing fleet is another driver for vessel demand due to new regulations. Those ageing ships will have to be replaced and may prompt an acceleration in scrapping activities. GTT has also increased its estimates for LNG carriers demand from 400 to more than 450 vessels over the next 10 years.

US LNG project permitting pause could cut newbuilding demand, Poten says

TradeWinds

However, fewer LNG carriers may be required than currently anticipated if the US' 'temporary' pause on permitting for LNG projects continues. The pause could potentially affect approvals and extensions for 21 pre-final investment decision LNG export projects. If these new US project FIDs are delayed or cancelled, the LNG newbuildings needed to serve them, approximately 99 vessels, may not be ordered according to Poten & Partners. Nevertheless, the forecasted new vessel orders will remain the same if the delayed/ cancelled FIDs are replaced by other international projects.

OIL TANKERS

Poten warns of VLCC ordering surge with shifting oil demand dynamics in Asia

TradeWinds

The ordering of VLCC newbuildings has surged to 19 vessels in the first two months of 2024, exceeding the total of 18 VLCCs ordered in 2023 due to the shifting oil demand dynamics in Asia. Trade disruptions, as a result of geopolitical tensions particularly in the Middle East, may boost VLCC rates more than those of the smaller crude oil tankers. Poten & Partners expects VLCC rates to remain strong in the coming years due to the low newbuilding deliveries in 2024 and 2025.

Tanker market could shift again

Hellenic Shipping News

The tanker market could be set for another shift if Russia's oil exports force buyers in China and India to look elsewhere according to shipbroker Gibson. Exporting Russian crude has become more challenging as more tankers and operators face sanctions and western owners increasingly pull back from engaging in this trade. Furthermore, recent months have seen increasing attacks against Russian oil infrastructure by Ukrainian drone forces which has resulted in facility shutdowns and disruptions to its oil exports. If lower Russian export volumes materialise, buyers in India and China will be forced to seek supply replacement from the Middle East and the Atlantic, which may lend support to the VLCC sector.

OFFSHORE OIL AND GAS

Idle FPSOs draw strong market interest

[Upstream Online](#)

A number of FPSO that are off contract and available for redeployment on new offshore field developments are gaining market interest. There are eight idle FPSOs in different parts of the world that are considered viable for redeployment. The opportunities are particularly in Southeast Asia, as some offshore project developers are indicating a preference for asset redeployment instead of building a new FPSO or tanker conversion. However, redeploying an FPSO to a new field is challenging, as it involves assessment on hull suitability, the turret mooring system, the onboard processing equipment and others.

Petrobras admits lack of competition behind FPSO tender delays

[Upstream Online](#)

Petrobras has delayed the contracting dates for three key FPSO vessel tenders because potential bidders are having difficulties in securing financing for the projects. In February, the bid deadline for tenders to charter two FPSOs for the deep-water section of the Sergipe-Alagoas basin and an FPSO for the redevelopment of the Barracuda-Caratinga field were postponed.

SHIPPING

IMO to adopt practical mid-term measures to put decarbonisation back on track

[Lloyd's List](#)

IMO's mid-term targets will enter into force in 2027, as per the revised strategy. It aims to cut emissions by 20% by 2030, 70% by 2040 and reach net zero by around 2050. The new targets also include 'striving for' levels of ambition that aim for 30% by 2030 and 80% by 2040. In addition, IMO member states will finalise the proposals for a global fuel standard and a greenhouse gas pricing mechanism in 2024, for adoption in 2025 in line with the revised GHG strategy. IMO believes the focus should be on the architecture and objective of the economic measure, rather than its labelling as a 'tax or levy'.

SHIPYARD

'It's like the Wild West': Battle ignites for shipyard space and secondhand vessels

[TradeWinds](#)

Shipyard berths are being snapped up as soon as they enter the market as owners are renewing their fleets and pursuing decarbonisation initiatives. The demand has stretched across all sectors with a particular focus on tankers and bulkers. The scarcity of newbuilding slot is contributing to the higher demand in secondary market.

MISC Berhad Announcement

Interim Dividend

27 Feb 2024 – Fourth tax exempt dividend of 12 sen per ordinary share.

FREIGHT MARKET

USD/Day	Jan 2024 Avg	Feb 2024 Avg	1-Month +/-%	2024 Avg	2023 Avg	2022 Avg
LNG						
Modern Tonnage (155k - 165k cbm, DF/TF diesel electric)						
Spot Rates	55,625	40,000	-28.1%	47,813	96,382	133,115
1 Year Time Charter	65,125	64,600	-0.8%	64,863	112,085	131,744
3 Year Time Charter	70,075	69,450	-0.9%	69,763	101,247	104,296
Steam Engine (145k – 155k cbm, steam turbine)						
Spot Rates	36,250	25,000	-31.0%	30,625	59,305	69,725
1 Year Time Charter	44,950	46,775	4.1%	45,863	69,729	69,029
3 Year Time Charter	43,375	42,825	-1.3%	43,100	49,473	50,905
PETROLEUM						
VLCC						
Spot Charter Earnings ¹	40,365	47,759	18.3%	44,062	42,743	23,329
1 Year Time Charter	45,250	46,063	1.8%	45,656	41,165	25,438
3 Year Time Charter	39,000	39,375	1.0%	39,188	35,495	24,745
Suezmax						
Spot Charter Earnings ¹	61,212	53,348	-12.8%	57,280	53,564	43,319
1 Year Time Charter	44,000	43,688	-0.7%	43,844	40,561	26,095
3 Year Time Charter	34,063	35,000	2.8%	34,531	31,866	22,533
Aframax						
Spot Charter Earnings ¹	71,866	52,901	-26.4%	62,384	55,776	54,910
1 Year Time Charter	42,750	42,750	-	42,750	41,777	24,807
3 Year Time Charter	37,000	36,813	-0.5%	36,906	31,061	21,783
MR2						
1 Year Time Charter	27,063	29,125	7.6%	28,094	26,816	20,407

Notes: ¹ Spot Charter Earnings are calculated by taking the total revenue net of commission, deducting bunker costs based on latest prices at representative regional bunker ports, estimated port costs (after currency adjustments) and then dividing the result by the number of voyage days.

ASSET VALUE

USD 'Million	Jan 2024 Avg	Feb 2024 Avg	1-Month +/-%	2024 Avg	2023 Avg	2022 Avg
LNG						
Newbuild (174k cbm, MEG1)	265.0	265.0	-	265.0	259.4	233.2
VLCC						
Newbuild	128.0	128.0	-	128.0	124.8	117.8
5-Year	109.0	111.0	1.8%	110.0	99.8	81.0
Suezmax						
Newbuild	85.0	85.5	0.6%	85.3	83.6	78.8
5-Year	83.0	83.0	-	83.0	72.7	55.8
Aframax						
Newbuild	70.5	71.0	0.7%	70.8	67.0	61.1
5-Year	72.0	72.0	-	72.0	64.9	51.6

FLEET DEVELOPMENT

No. of Vessels	Current Fleet	2024	2025	2026	2027+	Total Orderbook	Orderbook as % of Fleet
LNG							
LNG Carriers	683	65	87	88	82	322	47%
PETROLEUM							
VLCC	908	1	5	18	15	39	4%
Suezmax	661	7	28	32	9	76	11%
Aframax	699	27	57	43	22	149	21%

DELIVERIES & DEMOLITIONS

Deliveries	Jan-24	Feb-24	YTD	Demolitions	Jan-24	Feb-24	YTD
LNG							
LNG Carriers	3	4	7	LNG Carriers	0	0	0
PETROLEUM							
VLCC	1	0	1	VLCC	1	0	1
Suezmax	0	1	1	Suezmax	0	0	0
Aframax	3	0	3	Aframax	0	0	0

Sources: Clarkson and Affinity.

Notes: ² Stainless Steel. ³ Coated.

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