



Monthly Newsletter

Year 2024
April Edition

MISC Financial Calendar

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

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LNG shipping action tips upwards as charterers eye multi-month action

Tanker tonne-miles hit five-year high as flaring crises fuel spike

Brazil approves \$1.7 billion funding for Petrobras new frontier FPSOs

Newbuilding prices set to rise as shipyard lead times stretch to four years

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Energy shipping fleet data

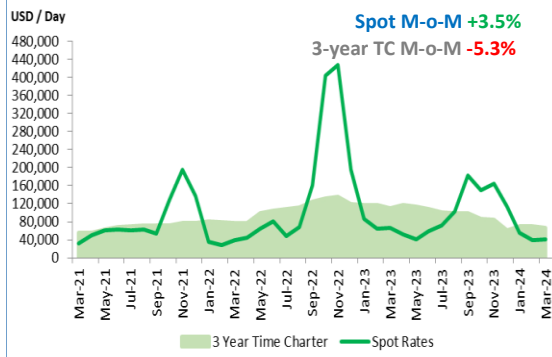
Freight Market

Asset Value

Fleet Development

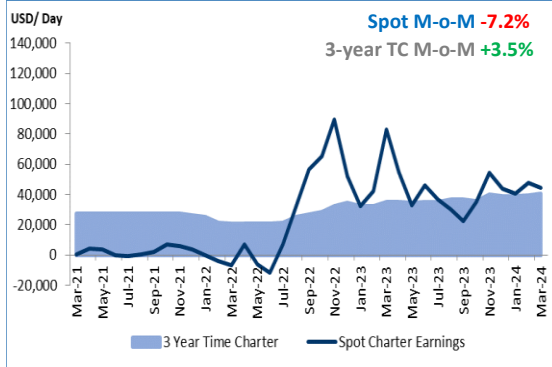
Deliveries & Demolitions

LNG Carrier



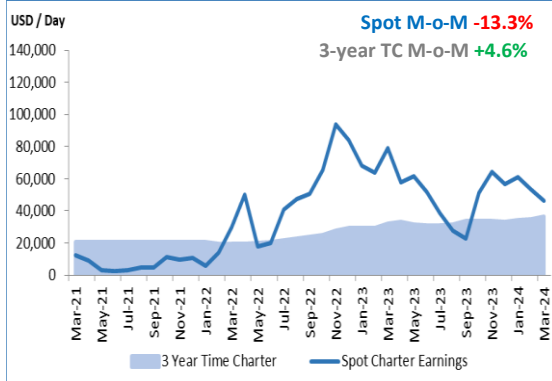
LNGC freight rates stabilised in March amidst ample vessel availability due to the seasonal low demand, mild weather and high storage levels. These factors overshadowed possible gains from vessel rerouting resulting from the ongoing Middle East conflicts.

VLCC



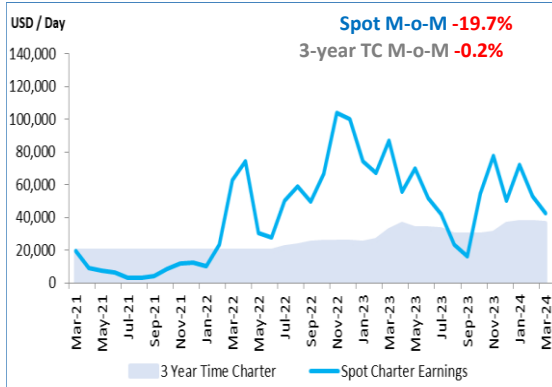
VLCC rates dropped in March due to seasonal softness in oil demand amidst refinery maintenance and long tonnage list in the Atlantic.

Suezmax



Spot rates for Suezmax continued to drop in March due to the softening of US Gulf market and excess tonnage availability in the Atlantic region.

Aframax



Similarly, Aframax spot rates continue to decline in March amidst high vessel availability and limited cargoes in both the Mediterranean and the Black Sea.

Industry News Highlights

GAS CARRIERS

LNG shipping action tips upwards as charterers eye multi-month action

TradeWinds

More enquiries emerge in the spot and term charter for LNG carriers, although first-quarter figures reveal a slow start to 2024. Activity has picked up slightly, with fresh interest in vessels for both short-term and multi-month deals that would give coverage over the winter. Fearnley LNG described the action as “a significant upturn in spot chartering” enquiry across both basins to cover cargoes in May and June. The fixtures predominantly focused on the spot and short-term market, with minimal period deals of around one year.

QatarEnergy’s ‘historic’ fleet expansion reaches 104 vessels with latest charter deals for 19 LNG carriers

Lloyd’s List

Qatar Energy has finalised time charter deals for a total of 104 LNG carriers for its “historic” fleet expansion programme, with the latest contracts for 19 vessels inked in Doha recently. The latest agreements of 19 newbuildings cater for the operation of six vessels by China Merchants Energy Shipping (CMES) LNG Carrier Investment, six vessels by China’s Shandong Marine Energy (Singapore), three vessels by Malaysia’s MISC Berhad, while the remaining four vessels will be operated by a joint venture between Japan’s K Line and South Korea’s Hyundai Glovis. The first 15 LNG carriers are being constructed at Samsung Heavy Industries while the other four vessels are being built at Hanwha Ocean, formerly known as DSME. These ships will support Qatar Energy’s expanded LNG production capacity from the North Field in Qatar and Golden Pass in the US, while meeting its long-term fleet replacement requirements.

OIL TANKERS

Tanker tonne-miles hit five-year high as flaring crises fuel spike

TradeWinds

The on-going Russian-Ukraine war and the Red Sea crisis have driven tanker tonne-miles to record highs in 2024, according to the International Energy Agency (IEA). The rerouting of vessels around the Cape of Good Hope contributed to tonne-miles hitting 49.1bn per day, an increase of 6.5% from January. The figure compared with an average of 44.5bn tonne-miles in 2018-2019 and a high of 47.1bn during the Covid-19 pandemic, IEA said. Despite that, rates for crude carriers softened in March as refiners carried out maintenance operations, leading to high vessel availability. According to Fearnley, the likely continuation of the high tonne-miles beyond the refinery maintenance season would further support the oil tanker sector, entering the stronger winter markets.

Secondhand tanker prices spike to highest level since 2008 with VLCCs seeing ‘notable uptick’

TradeWinds

Tanker owners keen to add modern ships to their fleet, have pushed secondhand prices to their highest level in 16 years. UK shipbroker Clarksons said values remained “very firm”, with its secondhand index up 16% since the start of 2023 to a mark last seen in 2008. The broker added that VLCC prices have seen “a notable increase this year”, as the guideline price for a five-year-old 310,000-dwt VLCC hit \$113m, up 8% since 1 January this year. Meanwhile, shipbroker SSY noted that the appetite for modern tonnage remains high, but a lack of suitable candidates has resulted in asset values rising further. Brokers have noticed younger vessels attracting a lot of interest and being quickly taken off the market.

OFFSHORE OIL AND GAS

Deep drive: 39% more deepwater wells forecast in 2024 drilling surge

[Upstream Online](#)

The global offshore exploration sector is bracing for a major drilling boost, with 185 deepwater and ultra-deepwater wells scheduled for 2024, a 39% increase over last year's total of 133, according to a new report by Rystad. This is subsequent to a surge in project investments, with funding for new offshore developments reaching nearly \$30 billion last year, the highest since 2013. Rystad also anticipates a slight decline in global approvals for new deepwater development projects in 2024, followed by a significant upswing in 2025, driven primarily by projects offshore Guyana, Suriname, Brazil, and Norway.

Brazil approves \$1.7 billion funding for Petrobras new frontier FPSOs

[Upstream Online](#)

The Brazilian Merchant Marine Fund (FMM) has made available financial resources to support the contracting of a pair of FPSO vessels destined for the deep-water section of the Sergipe-Alagoas basin. Petrobras has been facing difficulties to contract the SEAP-1 and SEAP-2 FPSOs, having so far postponed three times the deadline for submission of bids in the tender. Floater companies are not displaying much interest in the project given the costs to acquire VLCCs in the market to undergo conversion into an FPSO hull, high local content requirements and tough conditions to secure funding. All these hurdles prompted Petrobras to delay the bidding competition until 14 June to improve terms to bring attractiveness and competition to the tender.

SHIPPING

Investment in alternative fuelled-newbuildings surges by over 50% in first quarter

[TradeWinds](#)

Sixty-eight newbuildings were contracted with alternative fueling in the first three months of 2024, up 54% from the corresponding quarter last year, according to DNV. DNV figures show a fleet of 1,034 LNG-fuelled vessels with 514 on order and 520 in operation. The list also includes a fleet of 269 methanol-fuelled vessels with 236 newbuildings and 33 trading ships, and 16 on order ammonia-fuelled vessels. The LNG fleet in operation has more than doubled since 2021, while the fast-growing methanol orderbook indicates similar growth in this segment over the next five years.

SHIPYARD

Newbuilding prices set to rise as shipyard lead times stretch to four years

[Lloyd's List](#)

Shipbuilding prices are set to rise further in 2024 as strong demand for newbuildings from the dry cargo, plus gas and tanker sectors have stretched average lead times out to four years, according to shipbroker BRS. However, the rising prices and lengthy delivery schedules have failed to discourage shipowners to invest in new ships, and to compete for the handful of early delivery slots held back by shipbuilders to lift pricing. The shipbroker also noted that strong ordering activity will be maintained throughout 2024 due to the need for ships to comply with new rules and regulations.

MISC Berhad Announcement

Award of Contract: Three (3) LNG Carriers on Long Term Contract with QatarEnergy

1 Apr 2024 – The Board of Directors of MISC Berhad wishes to announce that the Company's indirect wholly-owned subsidiaries, namely Polaris LNG Five Pte. Ltd., Polaris LNG Six Pte. Ltd. and Polaris LNG Seven Pte. Ltd., have signed Time Charter Parties (TCPs) with QatarEnergy for the time charter of three (3) newbuild LNG carriers (LNGCs) to be built by Samsung Heavy Industries Co. Ltd. (SHI). Pursuant to the TCPs, the LNGCs will be chartered by QatarEnergy for a firm period of 15 years from 2026 onwards.

FREIGHT MARKET

USD/Day	Feb 2024 Avg	Mar 2024 Avg	1-Month +/-%	2024 Avg	2023 Avg	2022 Avg
LNG						
Modern Tonnage (155k - 165k cbm, DF/TF diesel electric)						
Spot Rates	40,000	41,400	3.5%	45,675	96,382	133,115
1 Year Time Charter	64,600	63,420	-1.8%	64,382	112,085	131,744
3 Year Time Charter	69,450	65,740	-5.3%	68,422	101,247	104,296
Steam Engine (145k – 155k cbm, steam turbine)						
Spot Rates	25,000	27,750	11.0%	29,667	59,305	69,725
1 Year Time Charter	46,775	47,080	0.7%	46,268	69,729	69,029
3 Year Time Charter	42,825	42,840	0.0%	43,013	49,473	50,905
PETROLEUM						
VLCC						
Spot Charter Earnings ¹	47,759	44,306	-7.2%	44,144	42,743	23,329
1 Year Time Charter	46,063	48,500	5.3%	46,604	41,165	25,438
3 Year Time Charter	39,375	40,750	3.5%	39,708	35,495	24,745
Suezmax						
Spot Charter Earnings ¹	53,348	46,248	-13.3%	53,603	53,564	43,319
1 Year Time Charter	43,688	41,400	-5.2%	43,029	40,561	26,095
3 Year Time Charter	35,000	36,600	4.6%	35,221	31,866	22,533
Aframax						
Spot Charter Earnings ¹	52,901	42,485	-19.7%	55,751	55,776	54,910
1 Year Time Charter	42,750	42,500	-0.6%	42,667	41,777	24,807
3 Year Time Charter	36,813	36,750	-0.2%	36,854	31,061	21,783
MR2						
1 Year Time Charter	29,125	29,800	2.3%	28,663	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	Feb 2024 Avg	Mar 2024 Avg	1-Month +/-%	2024 Avg	2023 Avg	2022 Avg
LNG						
Newbuild (174k cbm, MEGI)	265.0	264.5	-0.2%	264.8	259.4	233.2
VLCC						
Newbuild	128.0	130.0	1.6%	128.7	124.8	117.8
5-Year	111.0	113.0	1.8%	111.0	99.8	81.0
Suezmax						
Newbuild	85.5	87.5	2.3%	86.0	83.6	78.8
5-Year	83.0	83.0	-	83.0	72.7	55.8
Aframax						
Newbuild	71.0	72.0	1.4%	71.2	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	687	62	88	90	92	332	48%
PETROLEUM							
VLCC	908	1	5	20	20	46	5%
Suezmax	662	7	29	37	18	91	14%
Aframax	699	23	57	46	26	152	22%

DELIVERIES & DEMOLITIONS

Deliveries	Feb-24	Mar-24	YTD	Demolitions	Feb-24	Mar-24	YTD
LNG							
LNG Carriers	4	2	9	LNG Carriers	0	0	0
PETROLEUM							
VLCC	0	0	1	VLCC	0	0	1
Suezmax	1	0	1	Suezmax	0	1	1
Aframax	0	1	4	Aframax	0	0	0

Sources: Clarkson and Affinity.

Notes: ² Stainless Steel. ³ Coated.

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