



Monthly Newsletter

Year 2024
May Edition

MISC Financial Calendar

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

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Global LNG freight rates stable despite recent vessel availability fluctuation

Tanker flows in a state of constant flux

Big Oil finds more to love in deepwater exploration fields

Start of Panama rainy season heralds unwinding of canal disruptions

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Energy shipping fleet data

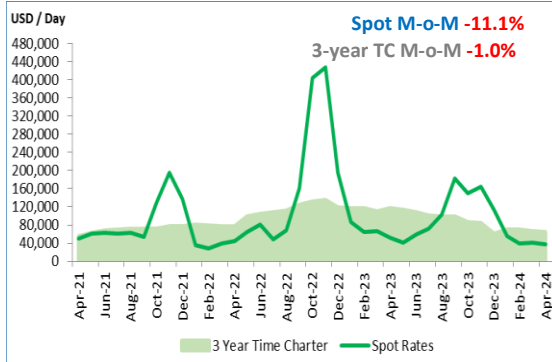
Freight Market

Asset Value

Fleet Development

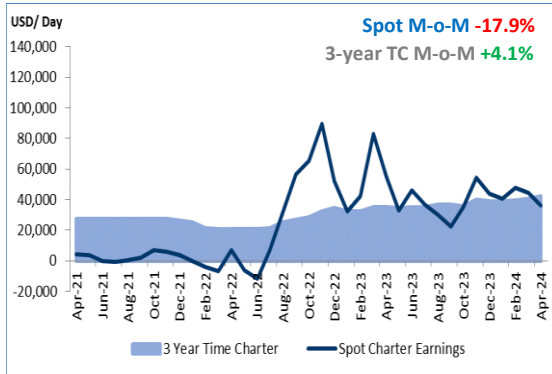
Deliveries & Demolitions

LNG Carrier



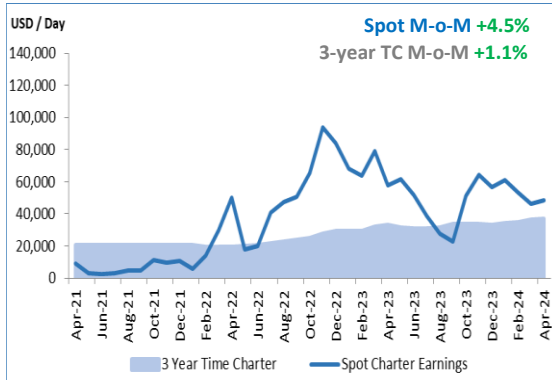
LNGC rates remained flat in April due to the seasonal low demand particularly from European region amidst robust renewable output, high inventory and mild weather conditions.

VLCC



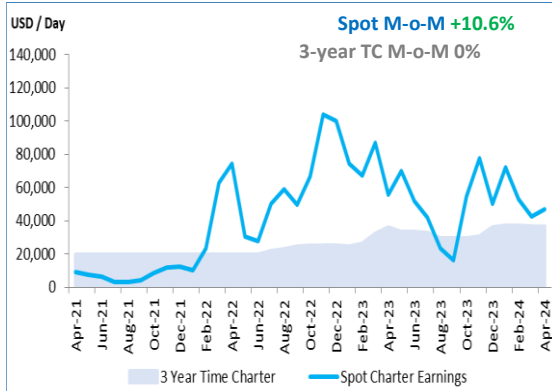
VLCC spot rates continued to ease downwards in April due to seasonally low oil demand amidst refinery maintenance particularly in the East, and long tonnage list (high vessel availability) in the Atlantic.

Suezmax



Suezmax rates rebounded upwards in April amidst the increased demand in the US Gulf market which has reduced the supply of vessels in West Africa and the Mediterranean.

Aframax



Aframax spot rates rebounded upwards in April due to the increased demand in the US Gulf and EU which has reduced the supply of vessel in the Mediterranean and Black Sea.

Industry News Highlights

GAS CARRIERS

Global LNG freight rates stable despite recent vessel availability fluctuation

Platts

Global LNG freight rates have remained steady so far this year amidst fluctuations in vessel availability, combined with ongoing shipping constraints via the Panama and Suez canals. The market has found an equilibrium in demand and supply, and shipping rates may remain steady throughout 2024. However, the LNG freight market rates may change if geopolitical tensions are to escalate further.

Potential Strait of Hormuz closure threatens 21% of global LNG supply

Drewry

The ongoing tensions in the Middle East raise concerns over LNG trade through the Strait of Hormuz, a key and only feasible passage for Qatar and the UAE to export LNG. Any supply blockage will not only hurt exporters of these two countries but will also compel key importers to consider new sources. The potential closure of the strait could impact LNG shipping as 21% of the global LNG supply could be affected.

OIL TANKERS

Tanker flows in a state of constant flux

HellenicShippingNews

In general, tonne-mile demand is up across the board in the tanker market, helping keep rates steady. Shipbroker Gibson said that different subsectors have been impacted differently. Volatility in clean product freight rates has been far higher than in the crude market. However, both sectors have had to adjust supply chains in response to changes in freight and commodity prices. VLCCs may be the beneficiaries in the near term, with cargoes shifting from Suezmaxes to benefit from improved economies of scale when routing via the Cape of Good Hope.

Strength in S&P values extending to older tonnage, says Clarksons

TradeWinds

Firm freight rates, as well as long lead times and elevated pricing for newbuildings, mean older vessels remains relevant especially with the rise in secondhand values, according to Clarksons. The prices for older tonnage are higher as scrap values today are almost twice the 2016 levels. However, older assets may not be attractive in the long run as stricter environmental regulation will have an impact on the asset value.

OFFSHORE OIL AND GAS

Big Oil finds more to love in deepwater exploration fields

Reuters

Capital spending on all-new deepwater drilling is poised to hit a 12-year high next year, predicts consultancy Rystad Energy. Investment in all-new and existing deepwater fields could hit USD130.7 billion in 2027, a 30% jump from 2023. Newer deepwater projects have the attributes oil and gas companies are looking for i.e. longer-term production, lower breakeven costs, big resource potentials and lower carbon emissions. With crude oil prices above USD70 a barrel, energy producers can expect a payback on their deepwater projects in six years.

OFFSHORE OIL AND GAS

Competition warming up for large gas FPSO in Southeast Asia

Upstream Online

A handful of FPSO contractors are preparing to submit bids for a contract to supply and lease a large gas FPSO vessel to exploit the Kelidang Cluster, an ultra-deepwater gas project which includes the Kelidang North East, Keratau and Keratau South West discoveries with combined reserves of several trillion cubic feet of gas. PETRONAS is offering a firm 12-year lease contract, with likely extensions of up to three additional years. Both conversion and redeployment models are on the table, but market experts have indicated that there is a very limited number of redeployable gas FPSOs in the market.

SHIPPING

Start of Panama rainy season heralds unwinding of canal disruptions

TradeWinds

Panama Canal transits are set to pick up in the coming months, analysts say, with varying impacts on freight markets. According to ABG Sundal Collier and BRS, water levels on the canal are set to rise as the country's rainy season begins this month, allowing the canal authority to boost transits further. Canal transits have been restricted since October last year due to low water levels at Gatun Lake, with the Panama Canal Authority gradually lowering the number of transits from the normal capacity of 36. The authority has begun raising the number of transits in stages.

SHIPYARD

Adnoc Logistics & Services inks up to four VLAC newbuilding orders in China

TradeWinds

Shipbuilding players said an Abu Dhabi owner had contracted a Chinese shipyard to build two firm vessels —very large ammonia carriers (VLACs) capable of carrying a full load of ammonia or LPG and up to 10 LNG carriers. The price of the VLACs, which will be fitted with type-B cargo tanks, has yet to emerge but brokers said Jiangnan Shipyard Co. Ltd (Jiangnan) is seeking around \$120m for this ship type. As for the LNG carrier newbuildings, the discussion is with Jiangnan, Hanwha Ocean and SHI and the price is currently holding at over \$260m per ship.

MISC Berhad Announcements

Time Charter Party Contracts for two Ammonia Dual-Fuel Aframaxes

22 April 2024 – The Board of Directors of MISC Berhad wishes to announce that the Company's wholly-owned subsidiary, AET Tanker Holdings Sdn. Bhd., through its vessel-operating entity AET Tankers Pte. Ltd. has entered into two (2) Time Charter Party Contracts (TCPs) with PETCO Trading Labuan Company Ltd, a wholly-owned subsidiary of Petroliaam Nasional Berhad, for two (2) ammonia dual-fuel aframaxes.

FREIGHT MARKET

USD/Day	Mar 2024 Avg	Apr 2024 Avg	1-Month +/-%	2024 Avg	2023 Avg	2022 Avg
LNG						
Modern Tonnage (155k - 165k cbm, DF/TF diesel electric)						
Spot Rates	41,400	36,813	-11.1%	43,459	96,382	133,115
1 Year Time Charter	63,420	63,000	-0.7%	64,036	112,085	131,744
3 Year Time Charter	65,740	65,100	-1.0%	67,591	101,247	104,296
Steam Engine (145k – 155k cbm, steam turbine)						
Spot Rates	27,750	27,125	-2.3%	29,031	59,305	69,725
1 Year Time Charter	47,080	43,433	-7.7%	45,560	69,729	69,029
3 Year Time Charter	42,840	41,767	-2.5%	42,702	49,473	50,905
PETROLEUM						
VLCC						
Spot Charter Earnings ¹	44,306	36,388	-17.9%	42,205	42,743	23,329
1 Year Time Charter	48,500	48,063	-0.9%	46,969	41,165	25,438
3 Year Time Charter	40,750	42,438	4.1%	40,391	35,495	24,745
Suezmax						
Spot Charter Earnings ¹	46,248	48,350	4.5%	52,289	53,564	43,319
1 Year Time Charter	41,400	42,500	2.7%	42,897	40,561	26,095
3 Year Time Charter	36,600	37,000	1.1%	35,666	31,866	22,533
Aframax						
Spot Charter Earnings ¹	42,485	46,971	10.6%	53,556	55,776	54,910
1 Year Time Charter	42,500	42,500	-	42,625	41,777	24,807
3 Year Time Charter	36,750	36,750	-	36,828	31,061	21,783
MR2						
1 Year Time Charter	29,800	30,063	0.9%	29,013	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	Mar 2024 Avg	Apr 2024 Avg	1-Month +/-%	2024 Avg	2023 Avg	2022 Avg
LNG						
Newbuild (174k cbm, MEGI)	264.5	264.0	-0.2%	264.6	259.4	233.2
VLCC						
Newbuild	130.0	130.5	0.4%	129.1	124.8	117.8
5-Year	113.0	115.0	1.8%	112.0	99.8	81.0
Suezmax						
Newbuild	87.5	88.0	0.6%	86.5	83.6	78.8
5-Year	83.0	83.0	-	83.0	72.7	55.8
Aframax						
Newbuild	72.0	72.0	-	71.4	67.0	61.1
5-Year	72.0	72.5	0.7%	72.1	64.9	51.6

FLEET DEVELOPMENT

No. of Vessels	Current Fleet	2024	2025	2026	2027+	Total Orderbook	Orderbook as % of Fleet
LNG							
LNG Carriers	690	55	90	91	117	353	51%
PETROLEUM							
VLCC	908	1	5	19	25	50	6%
Suezmax	661	7	29	38	19	93	14%
Aframax	700	20	61	48	37	166	24%

DELIVERIES & DEMOLITIONS

Deliveries	Mar-24	Apr-24	YTD	Demolitions	Mar-24	Apr-24	YTD
LNG							
LNG Carriers	3	2	12	LNG Carriers	0	0	0
PETROLEUM							
VLCC	0	0	1	VLCC	0	0	1
Suezmax	0	0	1	Suezmax	1	0	1
Aframax	1	0	4	Aframax	0	0	0

Sources: Clarkson and Affinity.

Notes: ² Stainless Steel. ³ Coated.

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