



Monthly Newsletter

Year 2024
July Edition

MISC Financial Calendar
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3Q 2024 26 Nov 2024

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VLCCs slowing down as spot rates plunge 50%

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Green shipping fleet growing as more newbuilding orders were placed in 2024

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Energy shipping fleet data

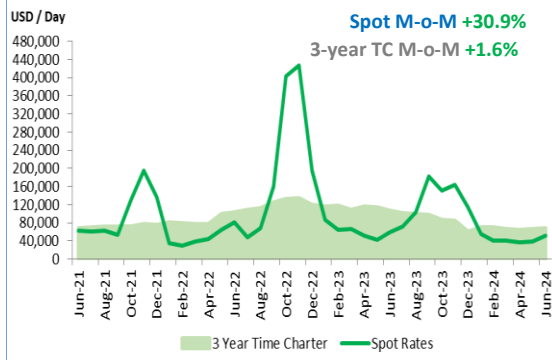
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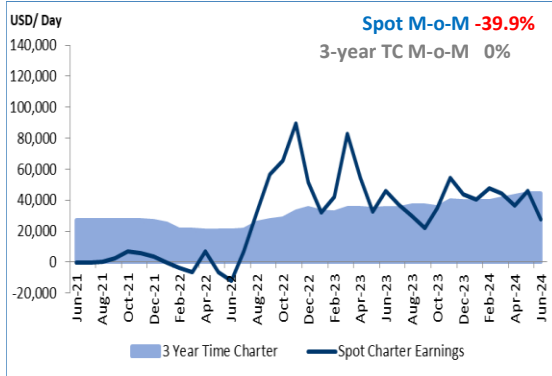
Deliveries & Demolitions

LNG Carrier



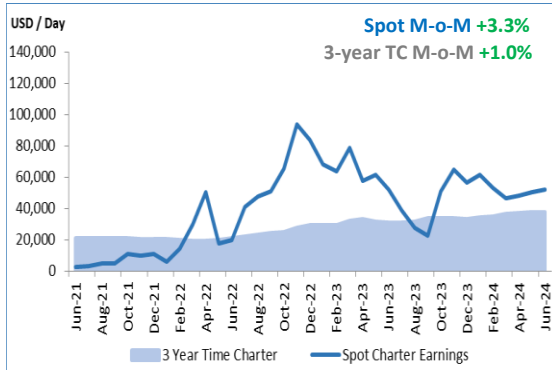
LNGC spot rates improved further in June as heatwaves in Asia uplifted LNG demand and increased competition for Europe-bound cargoes. In addition, the ongoing rerouting of vessels, potential winter coverage and the restart of key LNG terminals post-maintenance in May has also supported the rates.

VLCC



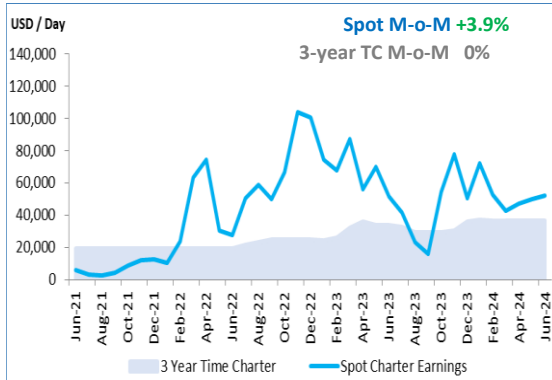
VLCC spot rates fell in June, mainly due to weaker oil demand from China as refinery runs decreased amid its slow economic recovery.

Suezmax



The Suezmax rates continued to strengthen in June with healthy demand in the West Africa regions. Increased refinery runs in India has also supported the rates for this segment.

Aframax



Aframax spot rates continued to be firmer in June, driven by cargo demand in the European region and heightened activities in the US Gulf, resulting in tighter vessel availability.

Industry News Highlights

GAS CARRIERS

LNG charter rates perk up on fresh activity

TradeWinds

Spot charter rates for LNG carriers have turned upwards on the back of fresh enquiries. Vessels are being drawn to the east on longer voyages, reducing vessel availability in the Atlantic region. The avoidance of both the Panama and Suez canals and potential winter coverage supported the charter rates. Market players quoted requirements from companies such as ConocoPhillips, Equinor, Tokyo Gas and Jera. Gail (India) and Indian Oil Co seeking tonnage to take on charter for a year or more with delivery in the Atlantic region. Re-let tonnage is also being withdrawn from the market.

QatarEnergy dominates in first-half LNG carrier newbuilding haul

TradeWinds

Middle East producer QatarEnergy was responsible for almost 70% of all the 65 LNG newbuildings contracted in the first half of this year, which has racked up more than double the vessels confirmed in the same period of 2023. The figures for 2024 were bolstered by the ongoing Phase 2 of QatarEnergy's colossal LNG shipbuilding project, whereby 1H 2024 saw charter deals signed with owners on 45 newbuildings worth just over USD12bn. The vessels will be built at yards in South Korea and China, with delivery ranging from 2028 through to the end of 2031. Aside from the Qatari-chartered newbuildings, the first half of 2024 proved quiet on the ordering of conventional LNG tonnage. The picture is becoming increasingly blurry on prospects for orders in the second half of 2024 amidst high prices for newbuildings, which have remained stubbornly at about USD260mil mark.

OIL TANKERS

VLCCs slowing down as spot rates plunge 50%, Signal Group says

TradeWinds

Shipowners may be responding to weakening VLCC spot rates by slowing vessels during ballast, according to Signal Group. The chartering platform's data shows a clear correlation between falling rates and lower speeds in June. Middle East Gulf to China rates have plunged 50% in a month to \$26,500 per day. The company believes the weak signals from the Chinese economy have contributed to concerns about oil demand, as crude imports are lower in the first five months of 2024 compared with last year.

Tanker earnings more than double 10-year average despite VLCC weakness, Clarksons says

TradeWinds

Clarksons Research believes tanker market conditions remain strong even as VLCC spot rates struggle. Favourable supply-demand fundamentals continue to support a positive outlook in an already tight market, with tanker rates averaging a robust \$45,089 per day in May, it added. This is up 11% from April and more than double the 10-year average. The shipbroker forecasts crude tanker demand to rise 1.8% in 2024, and in the products sector, deadweight tonne demand is projected to grow by a further 5.3% this year, a fourth consecutive year of firm expansion. In essence, the sector is being supported by the growing Atlantic-Asia crude trade and Red Sea-related rerouting, despite OPEC+ extended oil production cuts.

OFFSHORE OIL AND GAS

Petrobras again postpones Barracuda-Caratinga FPSO tender

[Upstream Online](#)

Petrobras has pushed back one more time the bid submission deadline in a tender to charter a mid-sized FPSO vessel to revitalise operations at the Barracuda-Caratinga field in Campos basin. The move takes place as Petrobras is facing difficulties to attract interest from floater companies for its bidding opportunities. Petrobras is also expected to launch the tender to contract an FPSO to redevelop the Marlim Sul and Marlim Leste fields, in the second half of 2024. Earlier this year, Petrobras axed a competition to contract a floater for the Albacora field and more recently received a single offer from a local player with no track record in the tender for the charter of a pair of FPSOs to produce in the deepwater portion of the Sergipe-Alagoas basin. Over the past few years, Petrobras has been channelling resources for the revitalisation of mature fields in the Campos basin, and in parallel, it continues to pour money to produce more and more hydrocarbons from its prime assets.

Pakistan gears up for landmark offshore licensing round

[Upstream Online](#)

Pakistan is preparing to launch an offshore licensing round comprising six shallow-water blocks in water depths of less than 200 metres, two deepwater blocks (200 to 1000 metres water depth) and four ultra-deepwater blocks (1000 metres-plus water depth). The dozen tracts, all of which are located in the Indus Offshore basin, range in size from 834 to almost 2500 square kilometres, spanning a total of around 23,700 square kilometres. The Islamabad administration hopes this exercise will lead to exploration success that could ultimately reduce the South Asian nation's dependence on imported hydrocarbons. Another bid round will follow suit in June 2025 where further deepwater and ultra-deepwater blocks will be offered.

SHIPYARD

Green shipping fleet growing as more newbuilding orders were placed in 2024

[Clarksons](#)

Clarksons Research recently released their latest Green Technology Tracker, charting the progress of alternative fuel uptake and investments in energy saving technologies across the global shipping fleet. Investment into alternative fuel continued in first half 2024, accounting for around one third of all newbuild orders and 41% of all tonnage placed are vessels capable of using either LNG (27%), methanol (6%), ammonia (2%), LPG, and hydrogen. With confirmed orderbook and projected investment in the coming years, Clarksons forecasted that over a fifth of all fleet capacity will be alternative fuel capable by the end of the decade.

FREIGHT MARKET

USD/Day	May 2024 Avg	Jun 2024 Avg	1-Month +/-%	2024 Avg	2023 Avg	2022 Avg
LNG						
Modern Tonnage (155k - 165k cbm, DF/TF diesel electric)						
Spot Rates	39,400	51,563	30.9%	44,133	96,382	133,115
1 Year Time Charter	66,100	68,800	4.1%	65,174	112,085	131,744
3 Year Time Charter	66,750	67,825	1.6%	67,490	101,247	104,296
Steam Engine (145k – 155k cbm, steam turbine)						
Spot Rates	28,750	34,188	18.9%	29,844	59,305	69,725
1 Year Time Charter	42,250	45,050	6.6%	44,923	69,729	69,029
3 Year Time Charter	41,900	42,825	2.2%	42,589	49,473	50,905
PETROLEUM						
VLCC						
Spot Charter Earnings ¹	45,850	27,561	-39.9%	40,372	42,743	23,329
1 Year Time Charter	47,500	47,625	0.3%	47,167	41,165	25,438
3 Year Time Charter	44,500	44,500	-	41,760	35,495	24,745
Suezmax						
Spot Charter Earnings ¹	50,386	52,026	3.3%	51,928	53,564	43,319
1 Year Time Charter	43,700	43,750	0.1%	43,173	40,561	26,095
3 Year Time Charter	37,300	37,688	1.0%	36,275	31,866	22,533
Aframax						
Spot Charter Earnings ¹	50,113	52,047	3.9%	52,730	55,776	54,910
1 Year Time Charter	44,300	47,375	6.9%	43,696	41,777	24,807
3 Year Time Charter	36,750	36,750	-	36,802	31,061	21,783
MR2						
1 Year Time Charter	30,550	30,375	-0.6%	29,496	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	May 2024 Avg	Jun 2024 Avg	1-Month +/- %	2024 Avg	2023 Avg	2022 Avg
LNG						
Newbuild (174k cbm, MEGI)	264.0	264.0	-	264.4	259.4	233.2
VLCC						
Newbuild	130.0	130.0	-	129.4	124.8	117.8
5-Year	115.0	115.0	-	113.0	99.8	81.0
Suezmax						
Newbuild	88.5	89.5	1.1%	87.3	83.6	78.8
5-Year	83.0	83.0	-	83.0	72.7	55.8
Aframax						
Newbuild	73.0	75.0	2.7%	72.3	67.0	61.1
5-Year	72.5	72.5	-	72.3	64.9	51.6

FLEET DEVELOPMENT

No. of Vessels	Current Fleet	2024	2025	2026	2027+	Total Orderbook	Orderbook as % of Fleet
LNG							
LNG Carriers	698	45	91	91	126	353	51%
PETROLEUM							
VLCC	908	1	5	23	36	65	7%
Suezmax	661	7	29	41	20	97	15%
Aframax	701	16	60	56	44	176	25%

DELIVERIES & DEMOLITIONS

Deliveries	May-24	Jun-24	YTD	Demolitions	May-24	Jun-24	YTD
LNG							
LNG Carriers	4	2	20	LNG Carriers	1	0	1
PETROLEUM							
VLCC	0	0	1	VLCC	0	0	1
Suezmax	0	0	1	Suezmax	0	0	1
Aframax	1	0	5	Aframax	0	1	1

Sources: Clarkson and Affinity.

Notes: ² Stainless Steel. ³ Coated.

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