



# Monthly Newsletter

Year 2024  
August Edition

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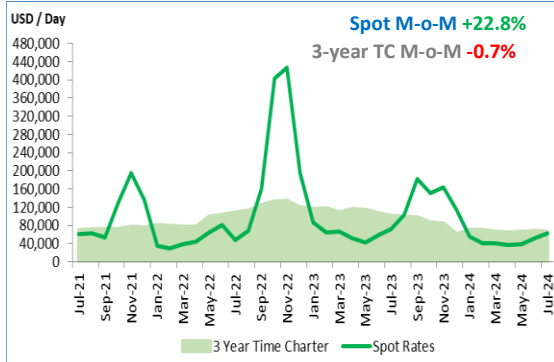
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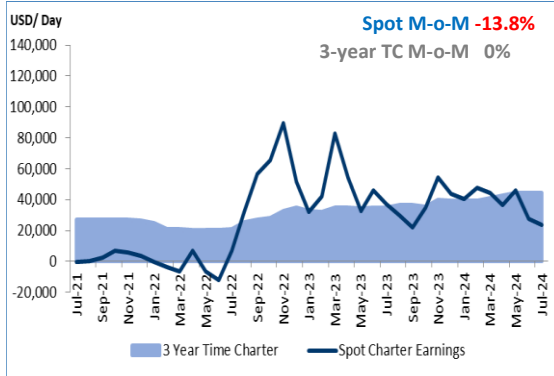
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### LNG Carrier



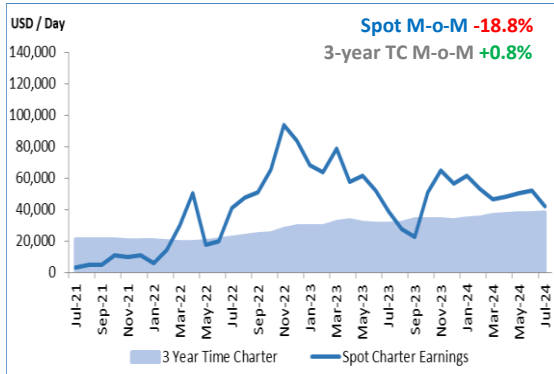
LNGC spot rates continued to improve in July due to strong Asian demand and increasing restocking activity in Europe ahead of winter. Asian LNG imports reached 6 months high mainly due to US-Asia price arbitrage. The longer tonne-mile via Cape of Good Hope supported the rates for this segment.

### VLCC



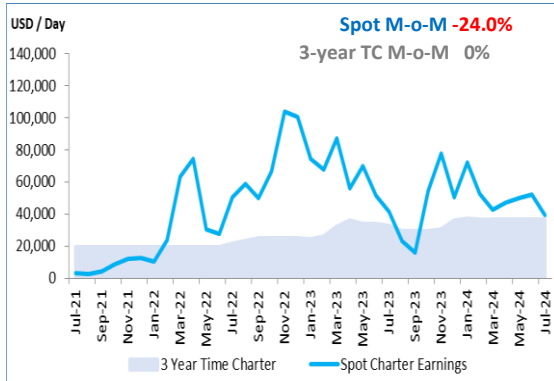
VLCC spot rates slipped further in July mainly due to weaker Asian oil demand, particularly in China and India, and OPEC+ production cut. The lack of activity particularly in the MEG-Asia route has increased vessel availability in the region.

### Suezmax



Similarly, the Suezmax segment faced the same fate as crude imports by Asian refineries dropped in July mostly to give way for planned maintenance, coupled with the softening demand in the Black Sea region. The long tonnage list has weakened the rates.

### Aframax



Aframax rates also declined in July but mainly due to less activity in the Mediterranean, particularly by the closure of Libya's export terminal. The ample availability of vessel has pulled the rates down, negating last month's growth.

## Industry News Highlights

### GAS CARRIERS

#### Asia's LNG imports shift higher as Europe's fade

[The Star Online](#)

Asia continues to draw LNG from Europe with imports in July rising to the highest in six months, even as spot prices stayed near seven-month highs. Much of the reason for the shift in global LNG flows can be attributed to Asia's higher price. Asia, the top-importing region is on track for arrivals of 24.85 million tonnes of LNG, up from 22.60 million in June and the highest since January's 26.19 million, according to data from Kpler. Meanwhile, Europe's imports are recorded at 6.56 million tonnes for July, down from 7.21 million in June and the lowest since September 2021. Europe's LNG imports have been declining since December 2023, when they were recorded at 11.75 million tonnes.

#### QatarEnergy eyes extra \$5bn hit of LNG carrier newbuildings

[TradeWinds](#)

QatarEnergy (QE) is considering to order another tranche of up to 20 LNG carrier (LNGC) newbuildings worth about \$5bn, to add to the 122 it has already secured under its massive shipbuilding project. Analysts said QatarEnergy is still hungry for additional extra-large vessels of its new 271,000cbm Qatar-China-Max (QC-Max) design of which it has already secured 18 newbuildings. It is believed that QE is considering building another 4 QC-Max LNGCs in China and another 4 of similar-size vessels at one or more of the 3 shipyards it has been working with in South Korea. In addition, QE is said to be considering adding another 10 conventional-size LNGC newbuildings of about 174,000cbm capacity. QE signed up to 60 vessels in Phase 1 in 2022 and inked deals on a further 62 ships this year under Phase 2 of the programme which kicked off in 2023. All the vessels are chartered by QE on a long-term basis.

### OIL TANKERS

#### Asian refineries' crude imports fall again in July, leading larger tanker utilisation lower

[Lloyd's List](#)

Key Asian refineries' seaborne crude imports have fallen for a second consecutive month in July and currently average 16.7m barrels per day, data from Vortexa shows, leading to lower utilisation of VLCCs and suezmax tankers. Imports to China, India, South Korea and Japan for the first three weeks of July were nearly 200,000 bpd lower Y-o-Y, and down 5% M-o-M. Lower Saudi crude exports and falling Chinese oil consumption were responsible for most of the decline. The pace underscores utilisation challenges during the traditional summer lull for larger tankers, which are most affected by falls on key routes from the Middle East to Asia.

#### China's crude oil imports lowest since Sept 2022 amid dampened fuel demand

[Reuters](#)

China's daily crude oil imports in July fell to their lowest since September 2022 as weak processing margins and low fuel demand curbed operations at state-run and independent refineries. The world's largest crude oil buyer brought in 42.34 million metric tons in July (about 9.97 million barrels per day), fell nearly 12% from the previous month and were 3% below previous year's amount, according to Reuters. Higher crude oil prices and weaker-than-expected domestic consumption of gasoline and diesel are squeezing refining profits. Chinese consultancy Oilchem estimated independent refiners operated at 56.11% of capacity in July, which is the lowest in three years and down 7.3 percentage points versus a year earlier.

## OFFSHORE OIL AND GAS

### Offshore feast: Global subsea spending to exceed \$42 billion by 2027, says Rystad Energy

[Upstream Online](#)

The global subsea market is poised to experience a significant influx of capital, with annual spending anticipated to exceed \$42 billion by 2027, according to Rystad Energy. It projects a 10% CAGR from 2024 to 2027. Brazil, notably, remains a focal point due to its vast pre-salt reserves. Deepwater developments are set to dominate the subsea sector, accounting for 45% of the market from 2024 to 2028. The ultra-deepwater projects, driven by major FPSO initiatives in Brazil and Guyana, are projected to capture 35% of the market. Upcoming ultra-deepwater greenfield projects include Yellowtail, Tilapia and Redtail in Guyana, alongside Buzios VIII, Buzios IX, Sepia and Atapu in Brazil. Notable brownfield projects are Trion in Mexico, Egina in Nigeria and Argos (Mad Dog Phase 2) in the US.

## SHIPPING

### Shipping emissions fell in 2023, IMO data shows

[Lloyd's List](#)

Shipping CO<sub>2</sub> emissions fell 1.3% in 2023, as the global fleet consumed less fuel and LNG bunkering rose sharply, according to IMO data. CO<sub>2</sub> emissions from vessels size 5,000 gt and above totalled 656m tonnes in 2023, down from 664m tonnes in 2022, according to fuel consumption data from more than 28,000 vessels. Out of the 3 main segments, containerships have the most CO<sub>2</sub> emissions reduction in the past year as compared to dry bulk and tanker segments. Meanwhile, total fuel consumption dropped 1% on the year to 211m tonnes, as fuel oil and marine gasoil consumption fell by 2%. As LNG replaced more conventional fuels, its consumption rose by 18% Y-o-Y to 13m tonnes in 2023.

## SHIPYARD

### South Korea plans autonomous AI shipbuilding to cut delivery time

[Lloyd's List](#)

The South Korean government has launched a public-private AI Autonomous Manufacturing Alliance involving ministries, research institutes, associations, companies and relevant groups in 12 different industries, including shipbuilding. The alliance plans to develop and disseminate a standard model based on the technology and data collected, which will then be distributed to relevant businesses by 2028. Alliance member Korea Shipbuilding and Offshore Engineering (KSOE) gave a presentation on autonomous manufacturing in shipbuilding at the launch ceremony as a representative of the shipbuilding sector. To address the shortage of highly skilled workers and accelerate production technology, AI autonomous manufacturing will be introduced to domestic shipyards to promote production, planning and management based on automation and simulation, according to KSOE. Overall, the utilisation rate of autonomous AI in manufacturing is expected to increase from the current 5% to more than 40% by 2030, thereby increasing manufacturing productivity and gross domestic product by more than 20% and 3% respectively, the Ministry of Trade, Industry and Energy said in a statement.

## FREIGHT MARKET

USD/Day	Jun 2024 Avg	Jul 2024 Avg	1-Month +/-%	2024 Avg	2023 Avg	2022 Avg
<b>LNG</b>						
<b>Modern Tonnage (155k - 165k cbm, DF/TF diesel electric)</b>						
Spot Rates	51,563	63,313	22.8%	46,873	96,382	133,115
1 Year Time Charter	68,800	66,025	-4.0%	65,296	112,085	131,744
3 Year Time Charter	67,825	67,350	-0.7%	67,470	101,247	104,296
<b>Steam Engine (145k – 155k cbm, steam turbine)</b>						
Spot Rates	34,188	36,500	6.8%	30,795	59,305	69,725
1 Year Time Charter	45,050	43,650	-3.1%	44,741	69,729	69,029
3 Year Time Charter	42,825	42,300	-1.2%	42,547	49,473	50,905
<b>PETROLEUM</b>						
<b>VLCC</b>						
Spot Charter Earnings <sup>1</sup>	27,561	23,769	-13.8%	38,000	42,743	23,329
1 Year Time Charter	47,625	47,500	-0.3%	47,214	41,165	25,438
3 Year Time Charter	44,500	44,500	-	42,152	35,495	24,745
<b>Suezmax</b>						
Spot Charter Earnings <sup>1</sup>	52,026	42,257	-18.8%	50,547	53,564	43,319
1 Year Time Charter	43,750	42,875	-2.0%	43,130	40,561	26,095
3 Year Time Charter	37,688	38,000	0.8%	36,521	31,866	22,533
<b>Aframax</b>						
Spot Charter Earnings <sup>1</sup>	52,047	39,580	-24.0%	50,852	55,776	54,910
1 Year Time Charter	47,375	45,000	-5.0%	43,882	41,777	24,807
3 Year Time Charter	36,750	36,750	-	36,795	31,061	21,783
<b>MR2</b>						
1 Year Time Charter	30,375	30,000	-1.2%	29,568	26,816	20,407

Notes: <sup>1</sup> 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	Jun 2024 Avg	Jul 2024 Avg	1-Month +/-%	2024 Avg	2023 Avg	2022 Avg
<b>LNG</b>						
Newbuild (174k cbm, MEGI)	264.0	262.5	-0.6%	264.1	259.4	233.2
<b>VLCC</b>						
Newbuild	130.0	129.0	-0.8%	129.4	124.8	117.8
5-Year	115.0	115.0	-	113.3	99.8	81.0
<b>Suezmax</b>						
Newbuild	89.5	90.0	0.6%	87.7	83.6	78.8
5-Year	83.0	83.0	-	83.0	72.7	55.8
<b>Aframax</b>						
Newbuild	75.0	75.0	-	72.6	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
<b>LNG</b>							
LNG Carriers	701	42	91	91	126	350	50%
<b>PETROLEUM</b>							
VLCC	908	1	5	23	36	65	7%
Suezmax	661	6	29	45	29	109	16%
Aframax	700	16	60	59	70	205	29%

## DELIVERIES & DEMOLITIONS

Deliveries	Jun-24	Jul-24	YTD	Demolitions	Jun-24	Jul-24	YTD
<b>LNG</b>							
LNG Carriers	4	3	25	LNG Carriers	0	0	1
<b>PETROLEUM</b>							
VLCC	0	0	1	VLCC	0	0	1
Suezmax	0	0	1	Suezmax	0	0	1
Aframax	0	0	5	Aframax	1	0	1

Sources: Clarkson and Affinity.

Notes: <sup>2</sup> Stainless Steel. <sup>3</sup> Coated.

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