



# Monthly Newsletter

Year 2024  
September Edition

MISC Financial Calendar  
3Q 2024 26 Nov 2024

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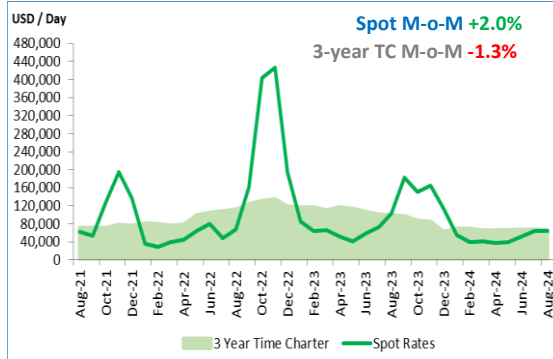
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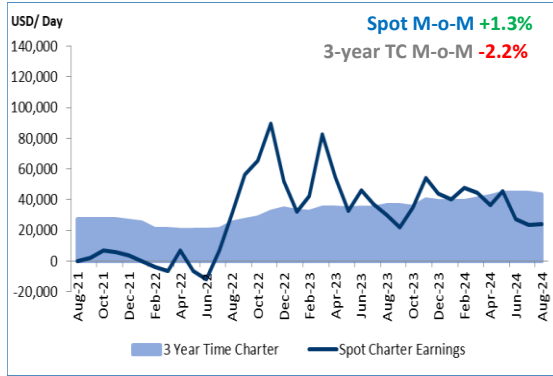
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### LNG Carrier



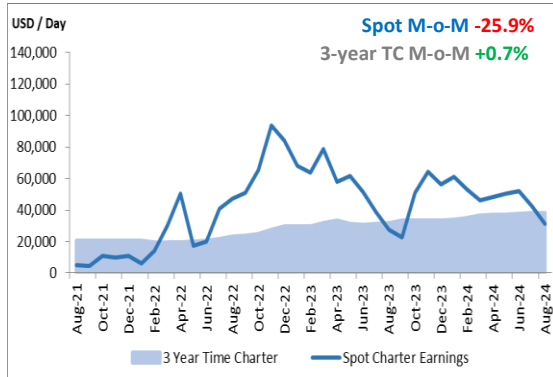
LNGC spot rates registered a modest increase in August. The anticipated seasonal increase in rates, ahead of winter, has yet to be seen as vessel demand is low, amidst moderate LNG demand due to ample LNG stocks in Europe and moderate Asian demand.

### VLCC



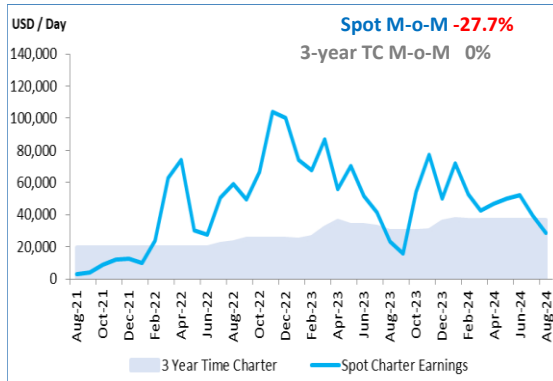
VLCC spot rates rebounded upwards in August, particularly for West Africa-East route amidst improved Asian oil demand. China, as well as Japan and South Korea have increased their oil imports, stocking up for winter demand.

### Suezmax



Suezmax rates continued to decline in August amidst softening demand and high vessel availability. This was primarily due to slowdown in refinery activities during the autumn refinery maintenance in the US and Europe.

### Aframax



Similarly, Aframax rates continued to decline in August due to increase in the vessel availability. This was due to less activity in the Mediterranean / Black Sea, mainly related to the closure of Libya's export terminal.

## Industry News Highlights

### GAS CARRIERS

#### LNG shipping rates are falling when they should be seasonally rising

*Lloyd's List*

LNG shipping rates typically would begin to increase around this time of the year. However, this is not the case for the current rates as compared to the past 3 years. Tri-Fuel Diesel Electric (TFDE) spot rates are at their 5-year low for this time of the year, and 2-stroke LNGC spot rates are very close to their 5-year low according to Clarksons. Chinese LNG demand has remained flat y-o-y for the past few months, and European gas stockpile seems adequate. Despite longer voyages, rates are declining, indicating that supply-demand fundamentals and market sentiment remain unfavourable for shipowners.

#### QatarEnergy ups supersize LNG carrier orders to 24 with \$8bn China deal

*TradeWinds*

QatarEnergy (QE) has ordered another 6 of its trademark 271,000-cbm QC-Max LNGCs at China's Hudong-Zhonghua Shipbuilding, boosting its total number of supersize vessels at the yard to 24 ships, totalling about \$8bn. The delivery dates for the QC-Max newbuilds are expected to be between 2028 to 2031. In total, QE's number of LNGCs on order under its mammoth fleet expansion programme now stands at 128 newbuilds. Separately, QE has also been in talks with South Korean yards in an enquiry for an additional 20 vessels.

### OIL TANKERS

#### VLCCs start seasonal climb as calendar flips to September

*TradeWinds*

VLCC rates remained strong, maintaining momentum into early September. According to Clarksons, with autumn maintenance usually concluding in October, crude barrels expected for November delivery need to be loaded by early October. This explains the usual increase in chartering activity during September, as freight is generally booked 2 to 3 weeks in advance before loading.

#### Tanker values remain resilient with limited upside, says Fearnleys

*TradeWinds*

Tanker prices remained steady, but any weakness in rates could reverse the trend, according to Fearnleys. Tanker prices are likely to hold up for the near-to-medium term, but any dips in earnings could have an impact on the values of the older tankers. Prices for modern tankers is expected to remain resilient but with limited upside potential from present levels. According to Clarksons, prices for 10 and 15-year-old VLCCs are at \$86m and \$58m, respectively. A 10-year-old suezmax was said to be worth \$68m and the same-age aframax \$60m.

## OFFSHORE OIL AND GAS

### Brazil eyes 2025 bid round featuring 14 pre-salt areas

[Upstream Online](#)

The Brazilian National Petroleum Agency (ANP) has approved the bidding rules that will govern the country's next pre-salt round. The next round will include a total of 14 areas - 6 in the Campos basin and 8 in the Santos basin, to be offered as production sharing contracts. The regulator has also implemented a few changes in the bidding rules in an effort to make the auction more attractive to both local and foreign players as Brazil competes regionally with neighbours such as Guyana and Suriname.

## SHIPPING

### Hundreds, if not thousands, of liquefied CO2 carriers will be needed, DNV says

[Upstream Online](#)

Huge numbers of liquefied CO<sub>2</sub> (LCO<sub>2</sub>) carriers will be required to support the anticipated new value chain for Carbon Capture and Storage (CCS), according to classification society DNV. DNV's Energy Transition Outlook anticipated that a minimum of hundreds LCO<sub>2</sub> carriers, and potentially up to thousands vessels of different sizes and for various trades, would be required in the future as approximately 1.2 gigatonnes of CO<sub>2</sub> are expected to be removed by 2050. Technically, LCO<sub>2</sub> carriers with the capacity of 40,000 cbm to 50,000 cbm would be required in the next 5 years and up to 100,000 cbm would be required in the next 10 years.

## SHIPYARD

### Over half global orderbook now alternative fuel capable, Clarksons says

[TradeWinds](#)

More than 50% of global tonnage on the orderbook is now capable to use alternative fuels, according to Clarksons. The shipbroker's research arm said the figure is up from 40% in 2022. LNG dual-fuel orders have increased this year as compared to newbuilds for methanol. Meanwhile, prices remain elevated as shipbuilding capacity remained tight with three to four-year lead times.

**MISC Berhad Announcements****Change in Boardroom**

1 Sep 2024 – Appointment of Datuk Adif bin Zulkifli as Non-Executive Director.

**Change in Boardroom**

16 Aug 2024 – Resignation of Captain Rajalingam A/L Subramaniam as an Executive Director, followed by the appointment of En Zahid bin Osman as an Executive Director.

**Change in Principal Office**

16 Aug 2024 – Resignation of Captain Rajalingam A/L Subramaniam as the Group Chief Executive Officer (CEO), followed by the appointment of En Zahid bin Osman as the Group CEO.

## FREIGHT MARKET

USD/Day	Jul 2024 Avg	Aug 2024 Avg	1-Month +/-%	2024 Avg	2023 Avg	2022 Avg
<b>LNG</b>						
<b>Modern Tonnage</b> (155k - 165k cbm, DF/TF diesel electric)						
Spot Rates	63,313	64,550	2.0%	49,083	96,382	133,115
1 Year Time Charter	66,025	61,940	-6.2%	64,876	112,085	131,744
3 Year Time Charter	67,350	66,500	-1.3%	67,349	101,247	104,296
<b>Steam Engine</b> (145k – 155k cbm, steam turbine)						
Spot Rates	36,500	34,900	-4.4%	31,308	59,305	69,725
1 Year Time Charter	43,650	41,400	-5.2%	44,324	69,729	69,029
3 Year Time Charter	42,300	41,420	-2.1%	42,406	49,473	50,905
<b>PETROLEUM</b>						
<b>VLCC</b>						
Spot Charter Earnings <sup>1</sup>	23,769	24,072	1.3%	36,259	42,743	23,329
1 Year Time Charter	47,500	45,600	-4.0%	47,013	41,165	25,438
3 Year Time Charter	44,500	43,500	-2.2%	42,320	35,495	24,745
<b>Suezmax</b>						
Spot Charter Earnings <sup>1</sup>	42,257	31,333	-25.9%	48,145	53,564	43,319
1 Year Time Charter	42,875	40,500	-5.5%	42,802	40,561	26,095
3 Year Time Charter	38,000	38,250	0.7%	36,738	31,866	22,533
<b>Aframax</b>						
Spot Charter Earnings <sup>1</sup>	39,580	28,632	-27.7%	48,074	55,776	54,910
1 Year Time Charter	45,000	41,650	-7.4%	43,603	41,777	24,807
3 Year Time Charter	36,750	36,750	-	36,789	31,061	21,783
<b>MR2</b>						
1 Year Time Charter	30,000	28,200	-6.0%	29,397	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	Jul 2024 Avg	Aug 2024 Avg	1-Month +/-%	2024 Avg	2023 Avg	2022 Avg
<b>LNG</b>						
Newbuild (174k cbm, MEGI)	262.5	262.0	-0.2%	263.9	259.4	233.2
<b>VLCC</b>						
Newbuild	129.0	129.0	-	129.3	124.8	117.8
5-Year	115.0	116.0	0.9%	113.6	99.8	81.0
<b>Suezmax</b>						
Newbuild	90.0	90.0	-	88.0	83.6	78.8
5-Year	83.0	83.0	-	83.0	72.7	55.8
<b>Aframax</b>						
Newbuild	75.0	75.0	-	72.9	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	706	38	91	91	126	346	49%
<b>PETROLEUM</b>							
VLCC	908	1	5	23	42	71	8%
Suezmax	662	4	29	43	32	108	16%
Aframax	700	16	57	61	81	215	31%

## DELIVERIES & DEMOLITIONS

Deliveries	Jul-24	Aug-24	YTD	Demolitions	Jul-24	Aug-24	YTD
<b>LNG</b>							
LNG Carriers	5	3	29	LNG Carriers	0	0	1
<b>PETROLEUM</b>							
VLCC	0	0	1	VLCC	0	0	1
Suezmax	1	2	4	Suezmax	0	0	1
Aframax	0	0	5	Aframax	0	1	2

Sources: Clarkson and Affinity.

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

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