



# LPG/VLGC

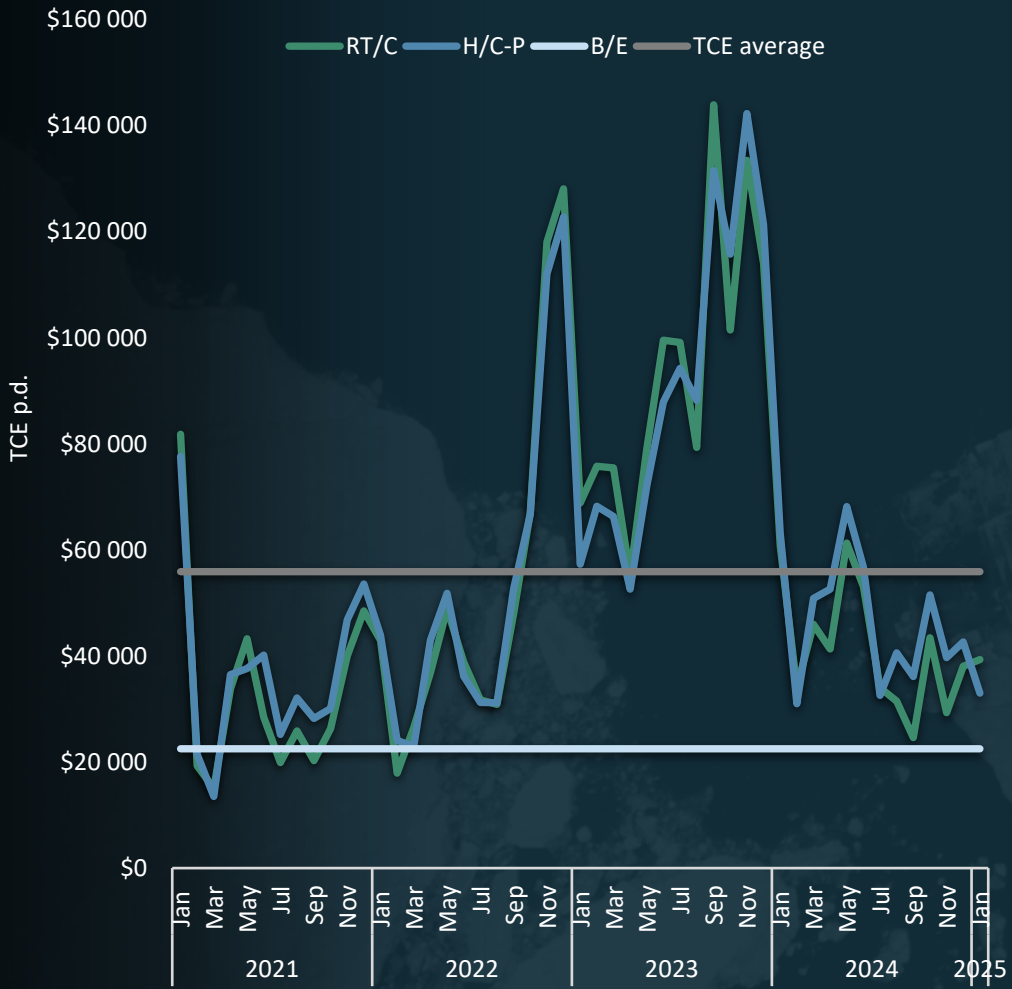
## Shipping Market Perspectives

Mia Willoch  
Advisor  
[m.willoch@fearnleys.com](mailto:m.willoch@fearnleys.com)

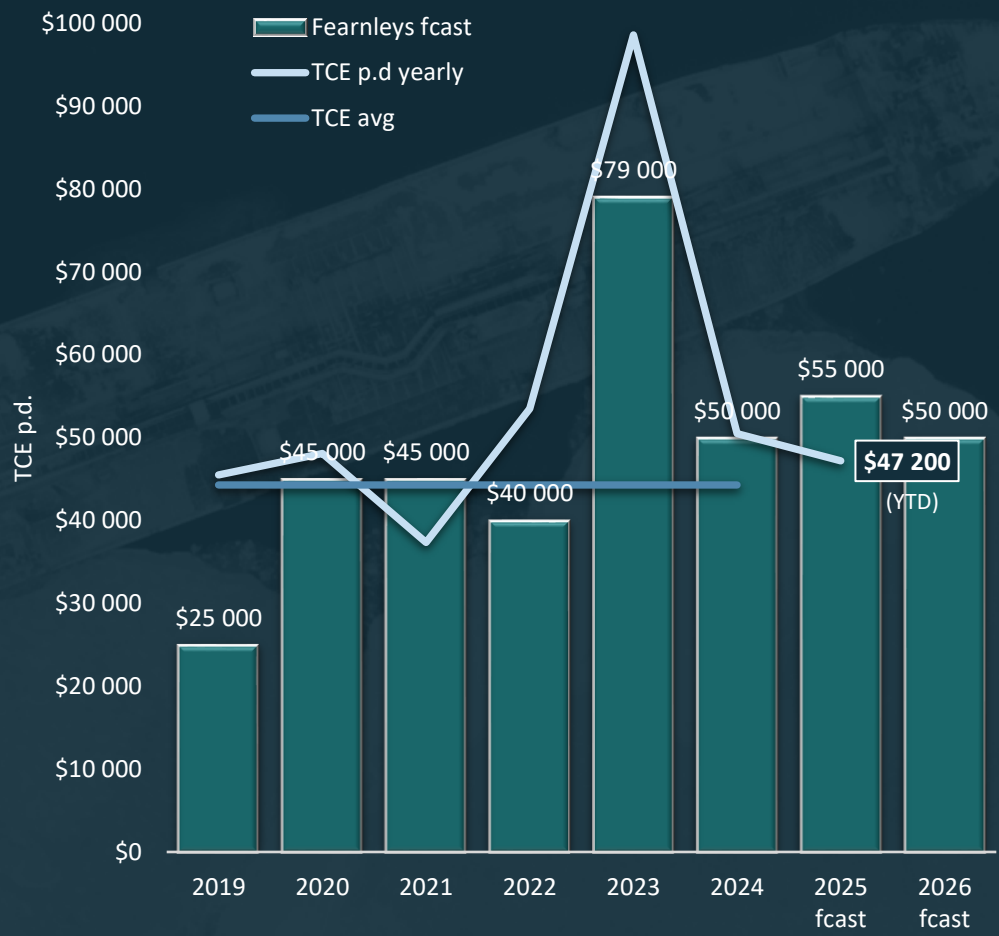


## Earnings now at lower-end of the scale

Monthly average spot rates averaging \$55,000 p.d. since 2021



Solid earnings expected throughout 2026

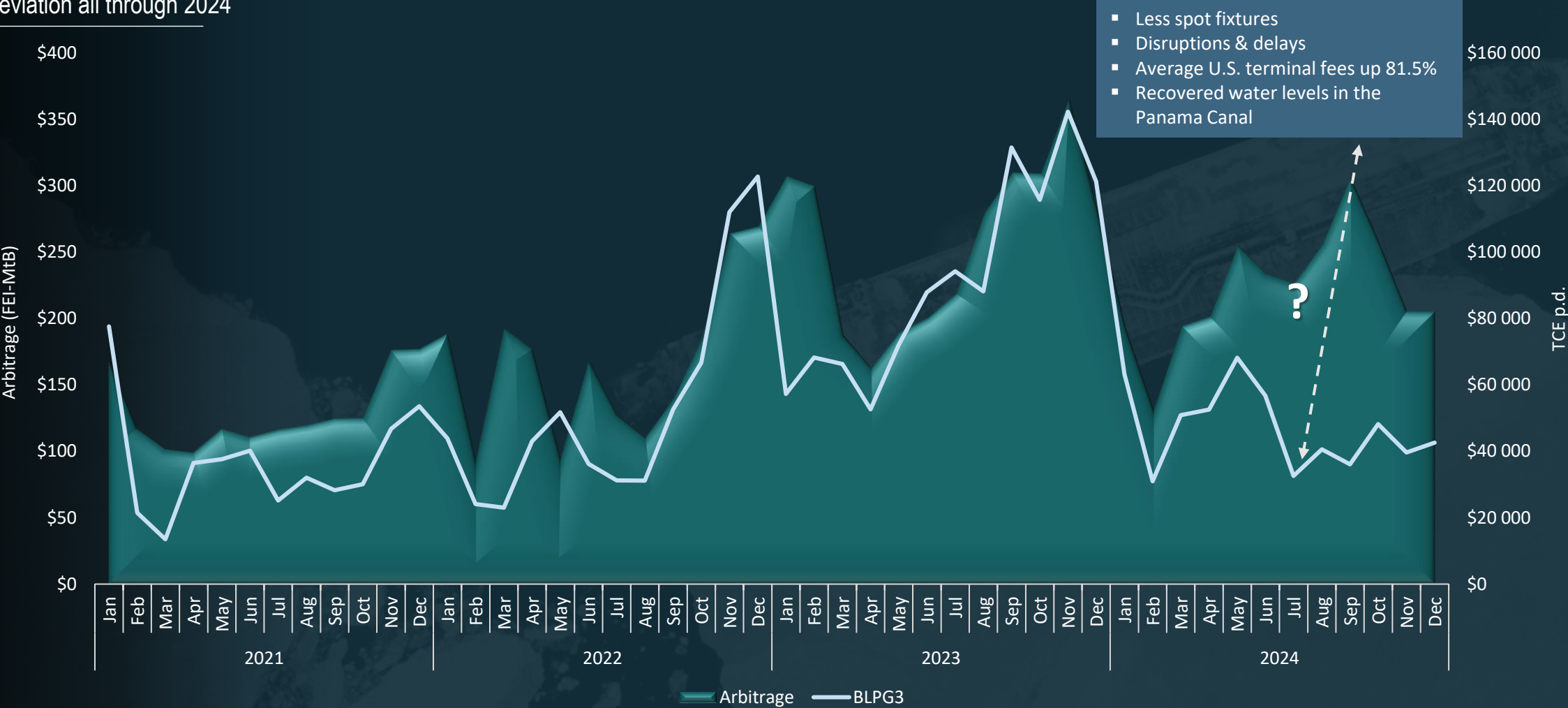


Source: Fearnleys, Baltic Exchange

# Freight rates historically highly correlated to West-East arbitrage opportunities

Generally less spot shipping activity, due to larger portion of fleet controlled by traders vs. owners

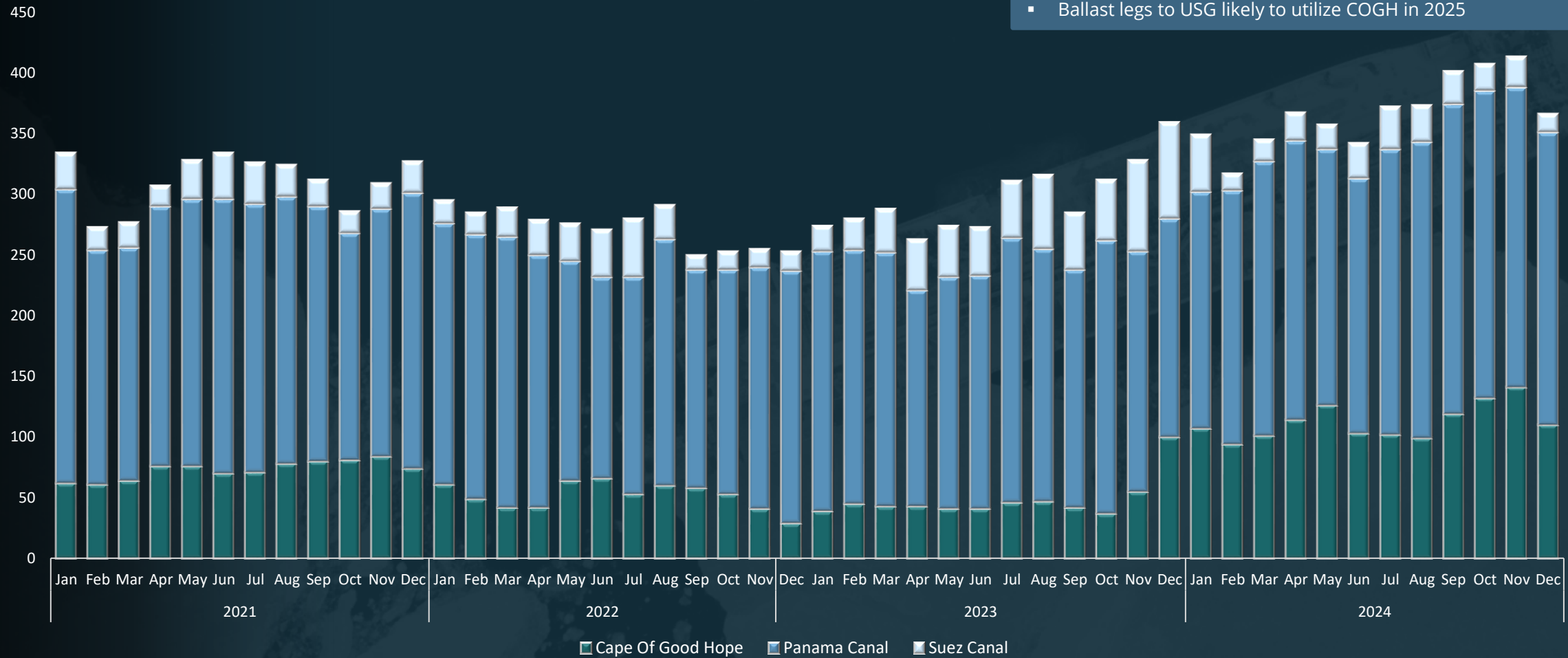
Deviation all through 2024





## Laden Panama transits back to “normal”

Laden VLGC transits



- Transits down 20% in 2024, though 220 more VLGC transits
- Cost increase of 36.8% 1.1.2025
- LoTSA taking up 40% of Neo slots
- Ballast legs to USG likely to utilize COGH in 2025

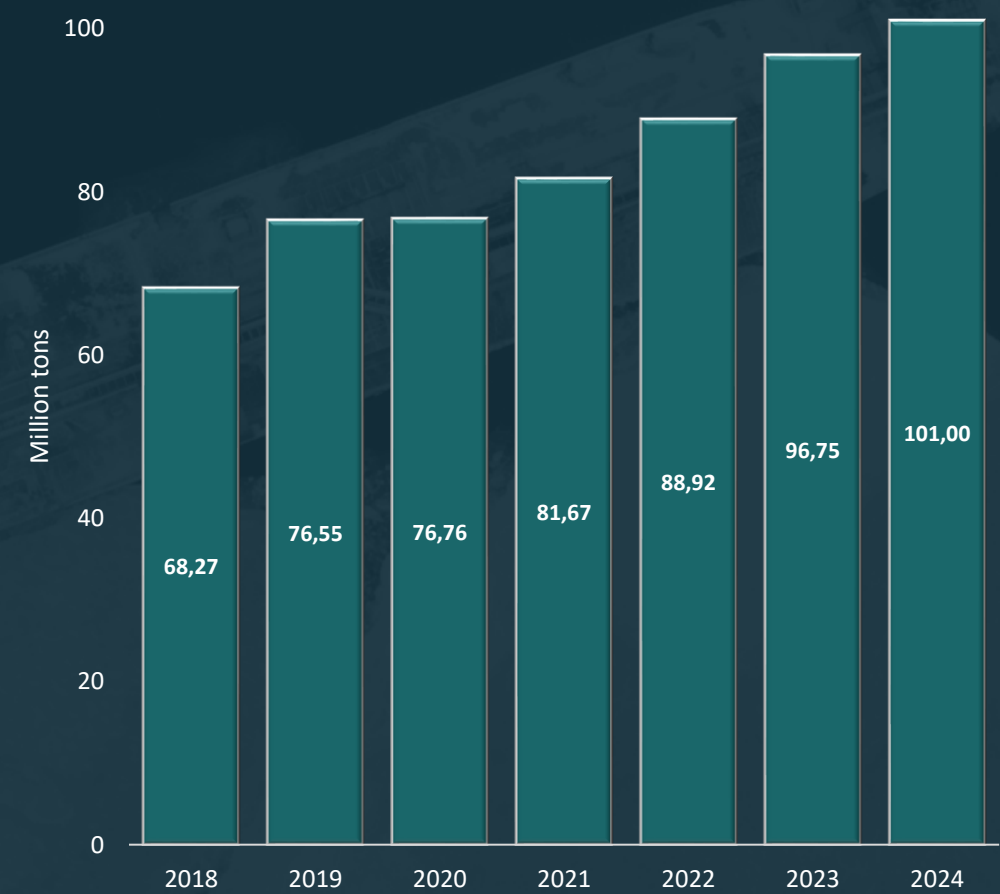
# VLGCs lifted 71% of all seaborne LPG in 2024

Total volumes grew by 4%

### Global Seaborne LPG – CAGR of 4.5%



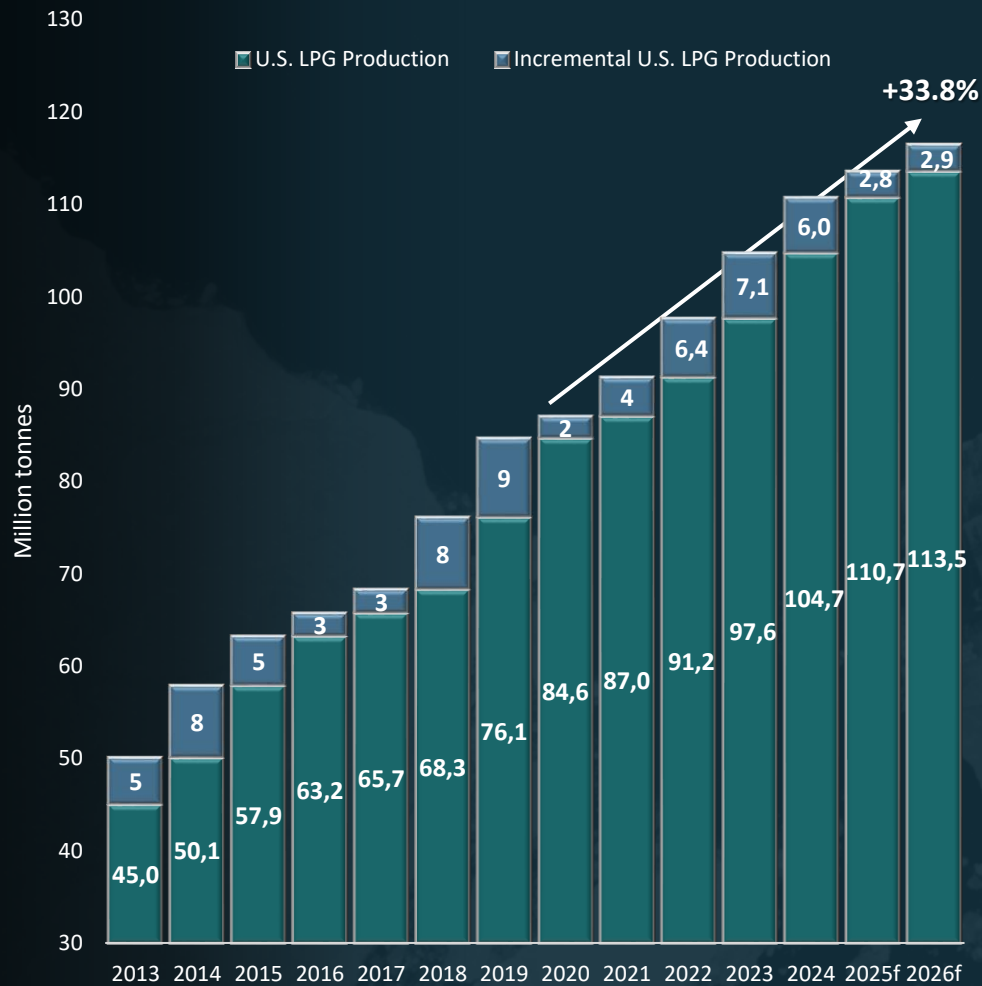
### Volumes lifted on VLGCs



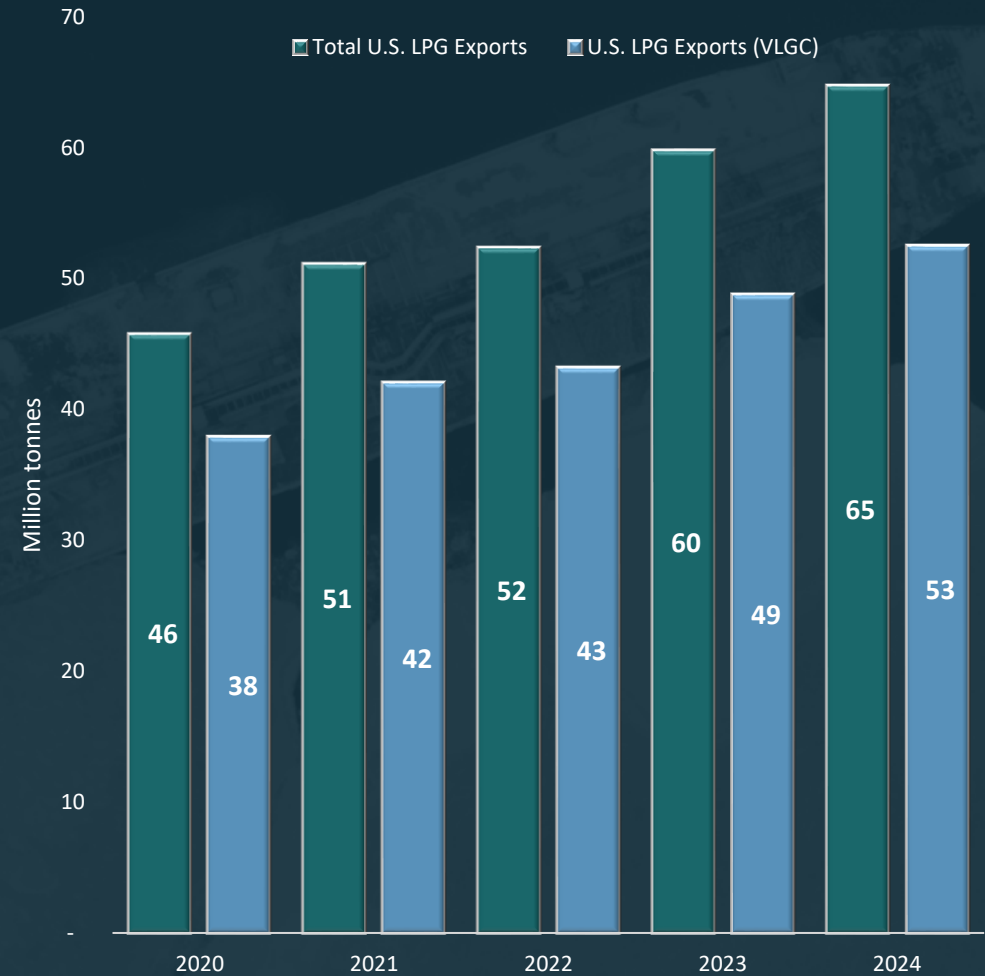
# The U.S. drives market growth

54% market share, Permian basin gas-to-oil ratio increased

58.5% of U.S. production was exported in 2024

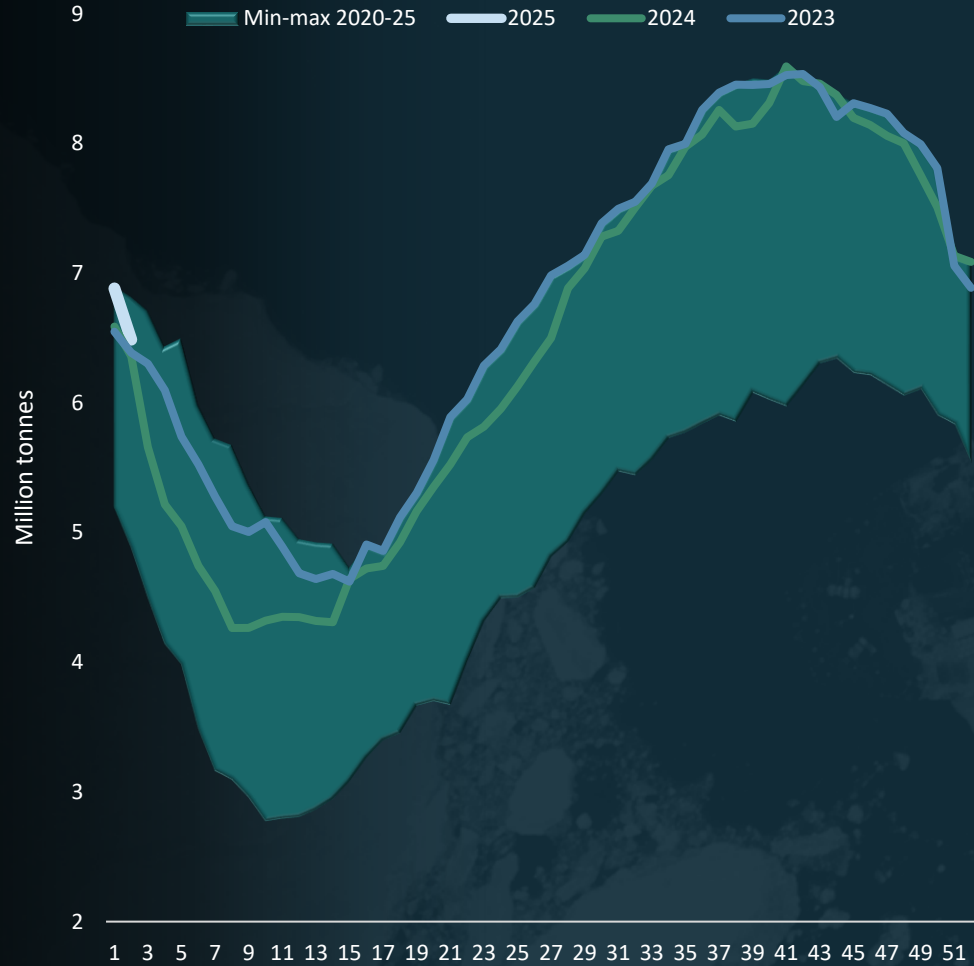


VLGCs lift 82% of all U.S. export volumes

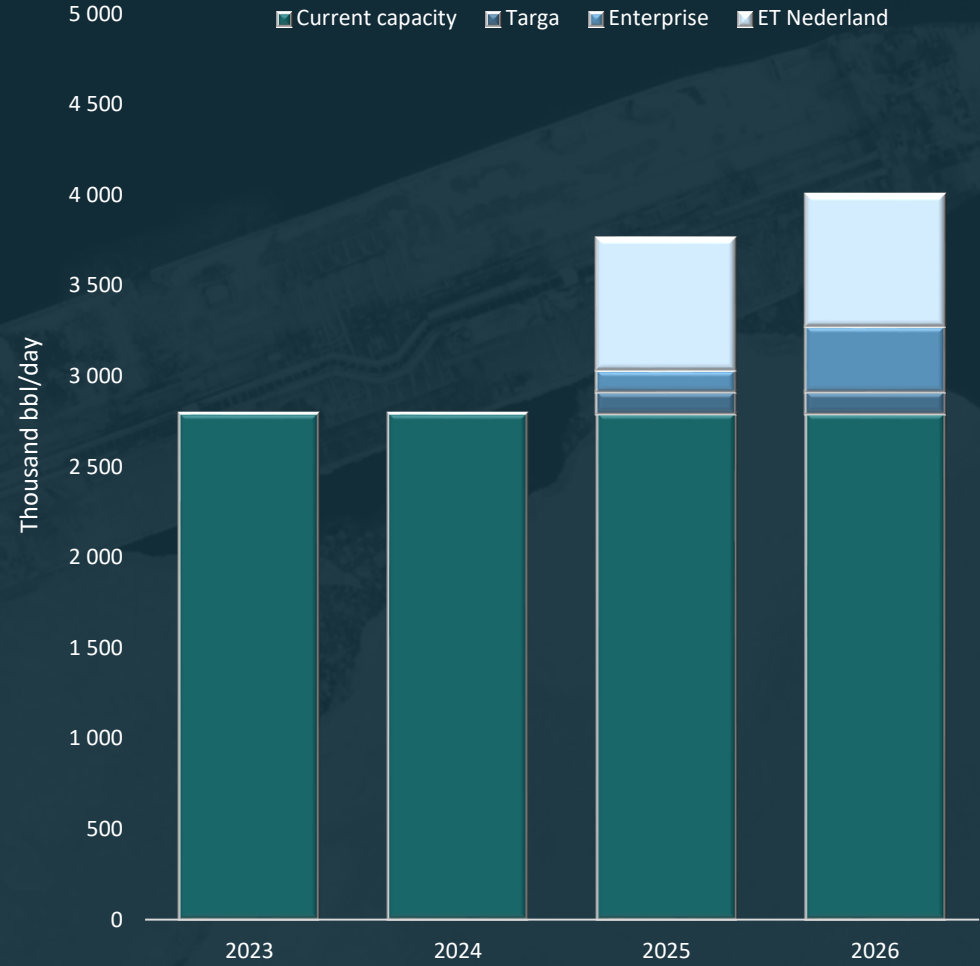


# After another strong production year, propane inventories are entering into consumption mode

### U.S. Propane Stock Levels



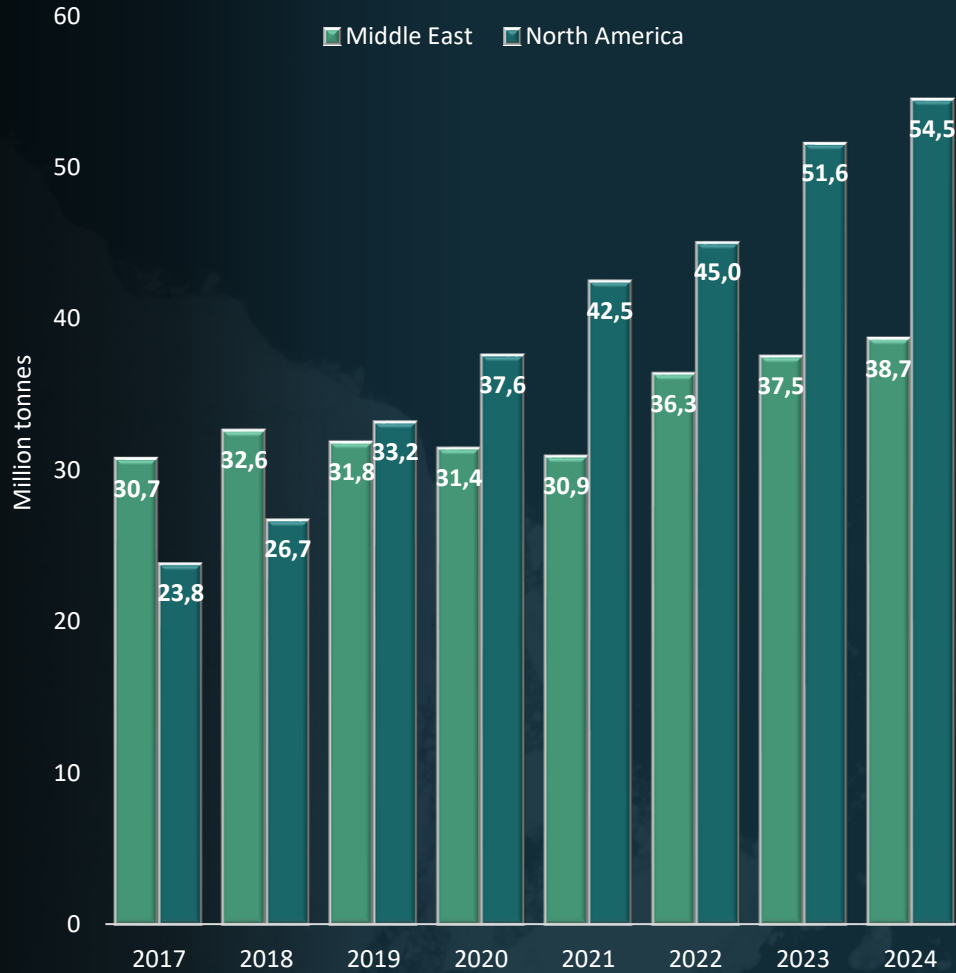
### U.S. NGL Export Capacity Expansions



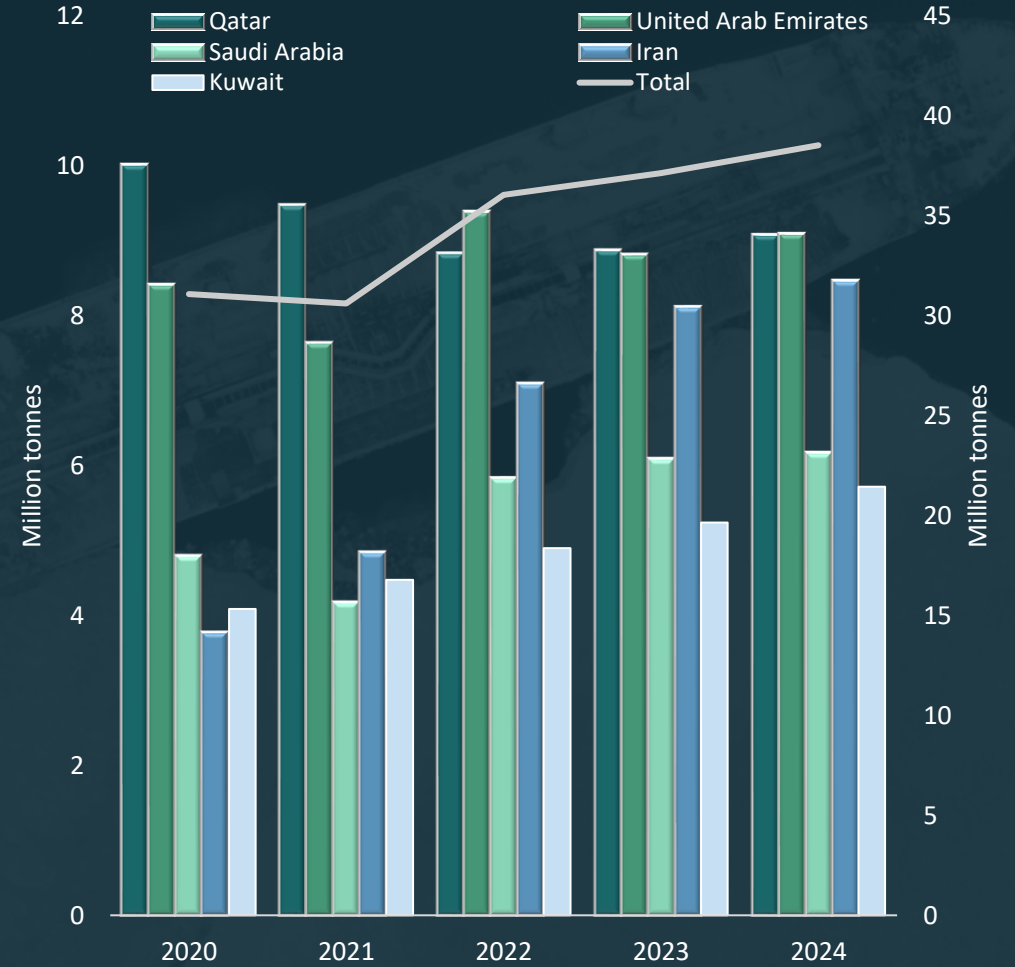
# Slow Middle East export growth until...

Terminal expansions increasing export capacity from 2025-2027 – 10+ MTPA

### The two major export hubs



### Middle East exports, by country

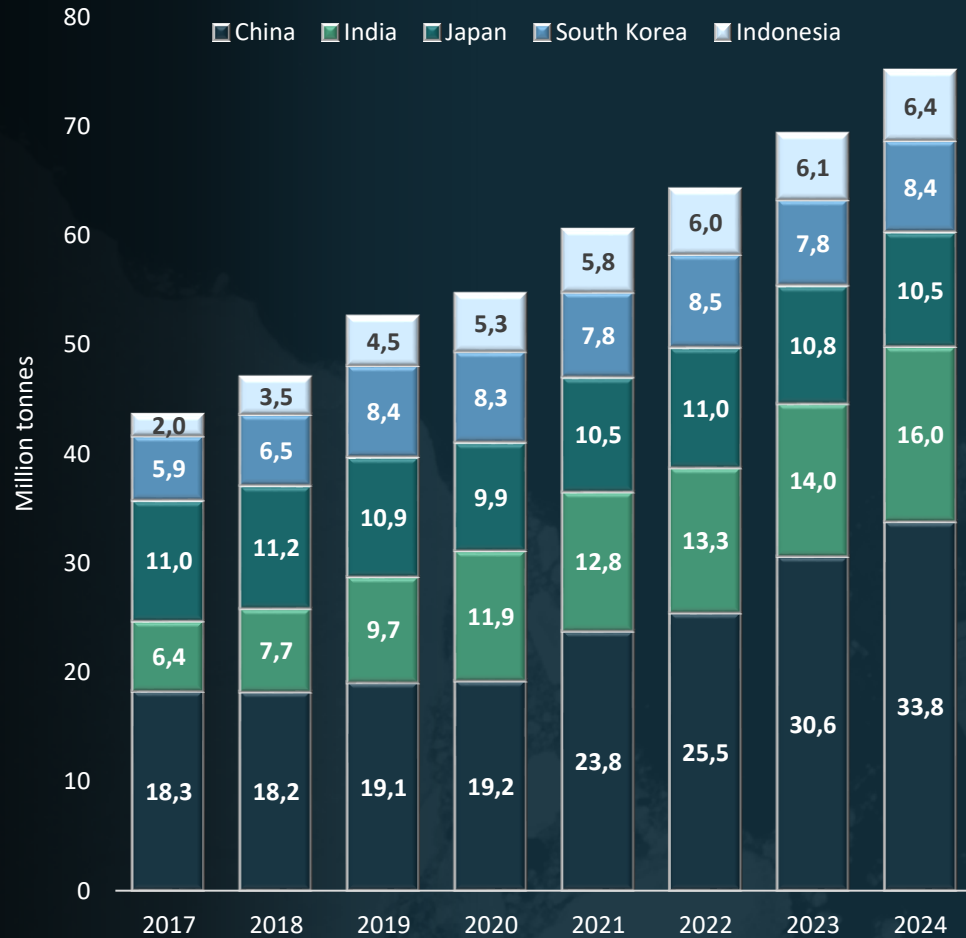




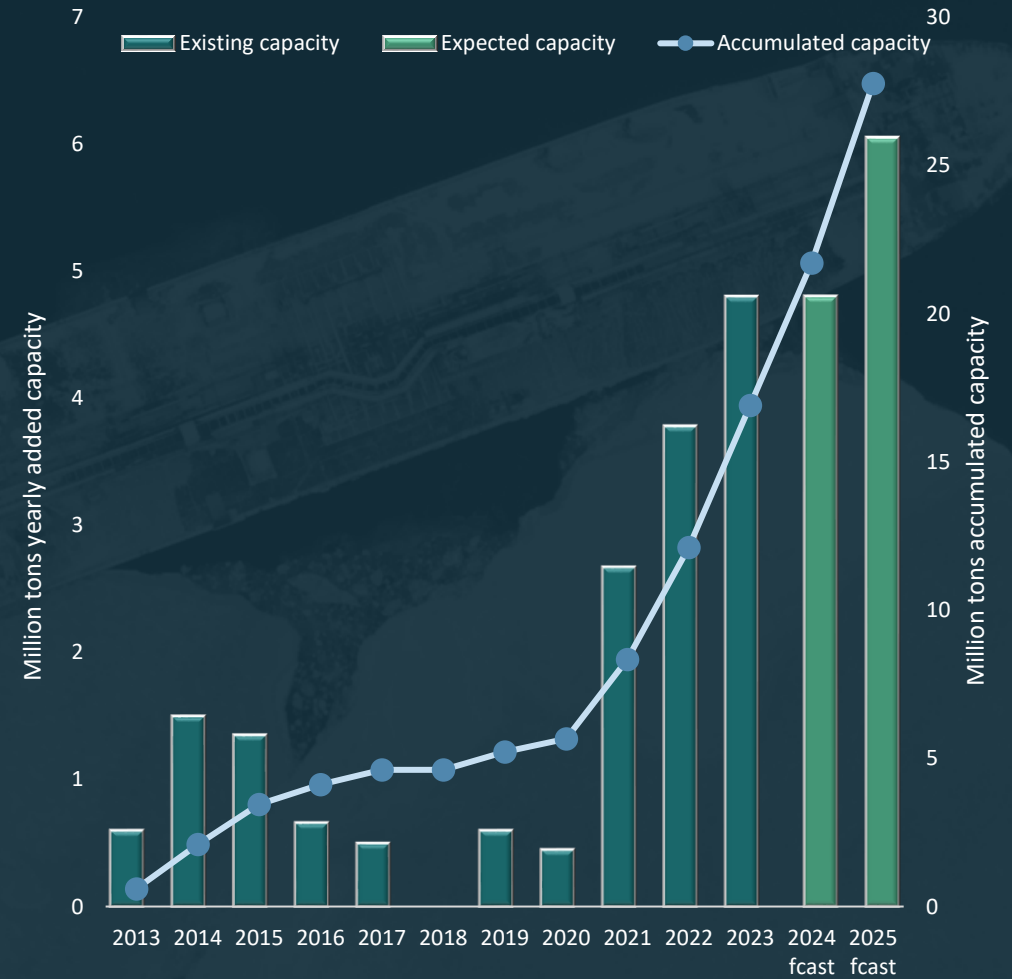
# Main driver for import growth remains China,

with continuous increased PDH capacity, further potential in India

### Top importing countries

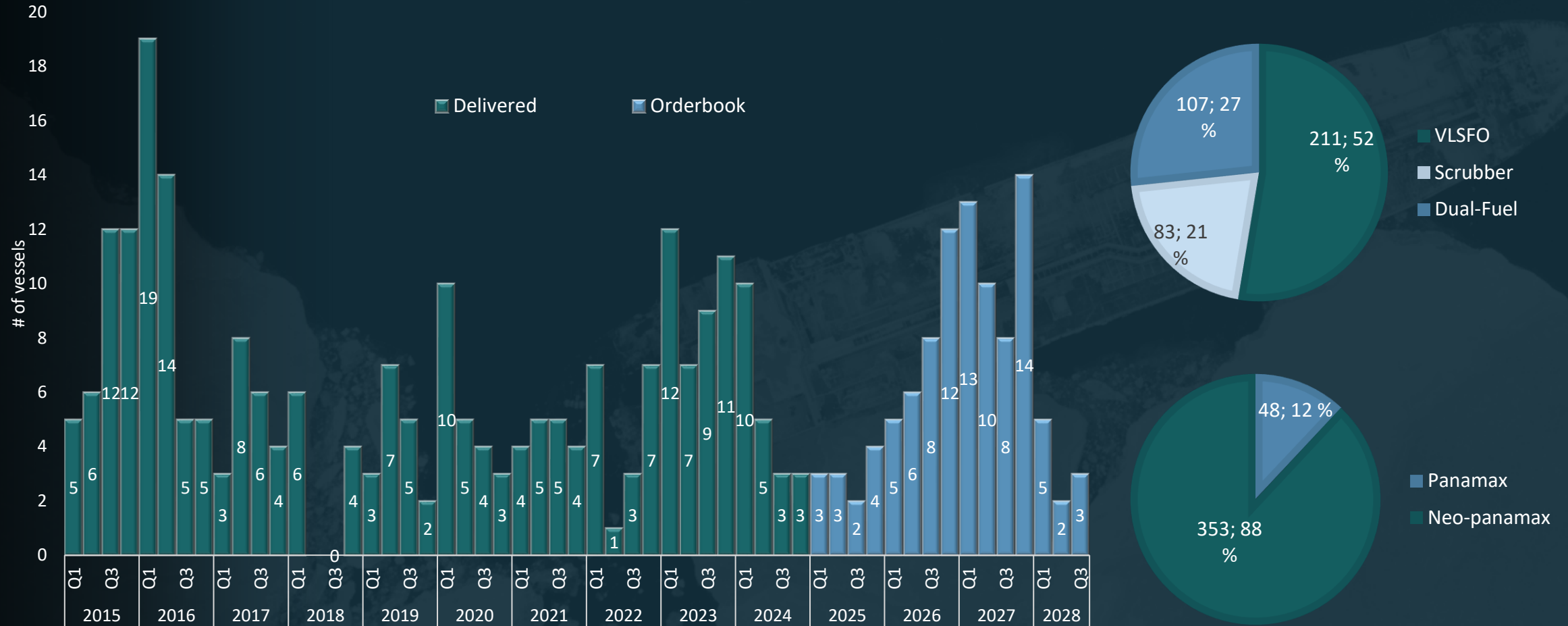


### China PDH capacity demand



## Fleet/ Orderbook Development

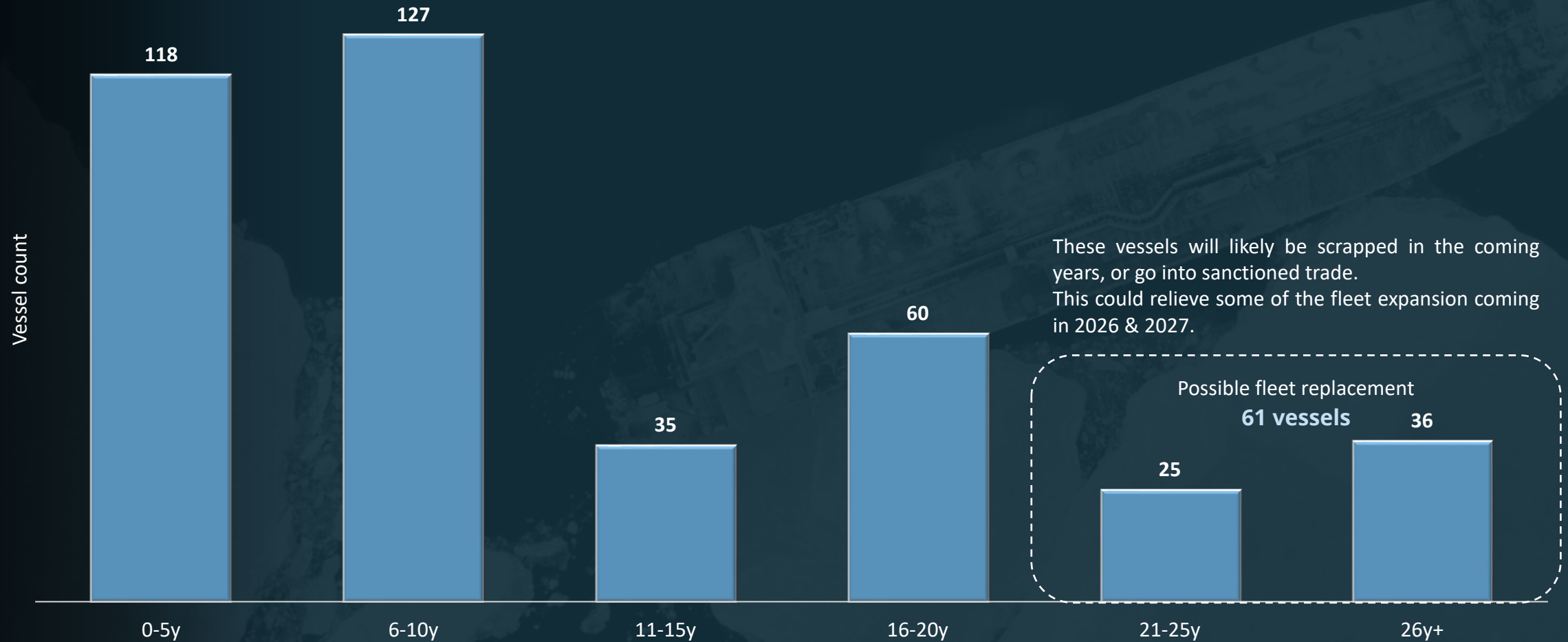
401 vessels, average age 10 years. OB-fleet ratio of 25% - 98 vessels, 47 orders placed in 2024, 55 "VLACs"



# LPG/VLGC Perspectives

15% older than 20 years, only 12 scrappings in 10 years

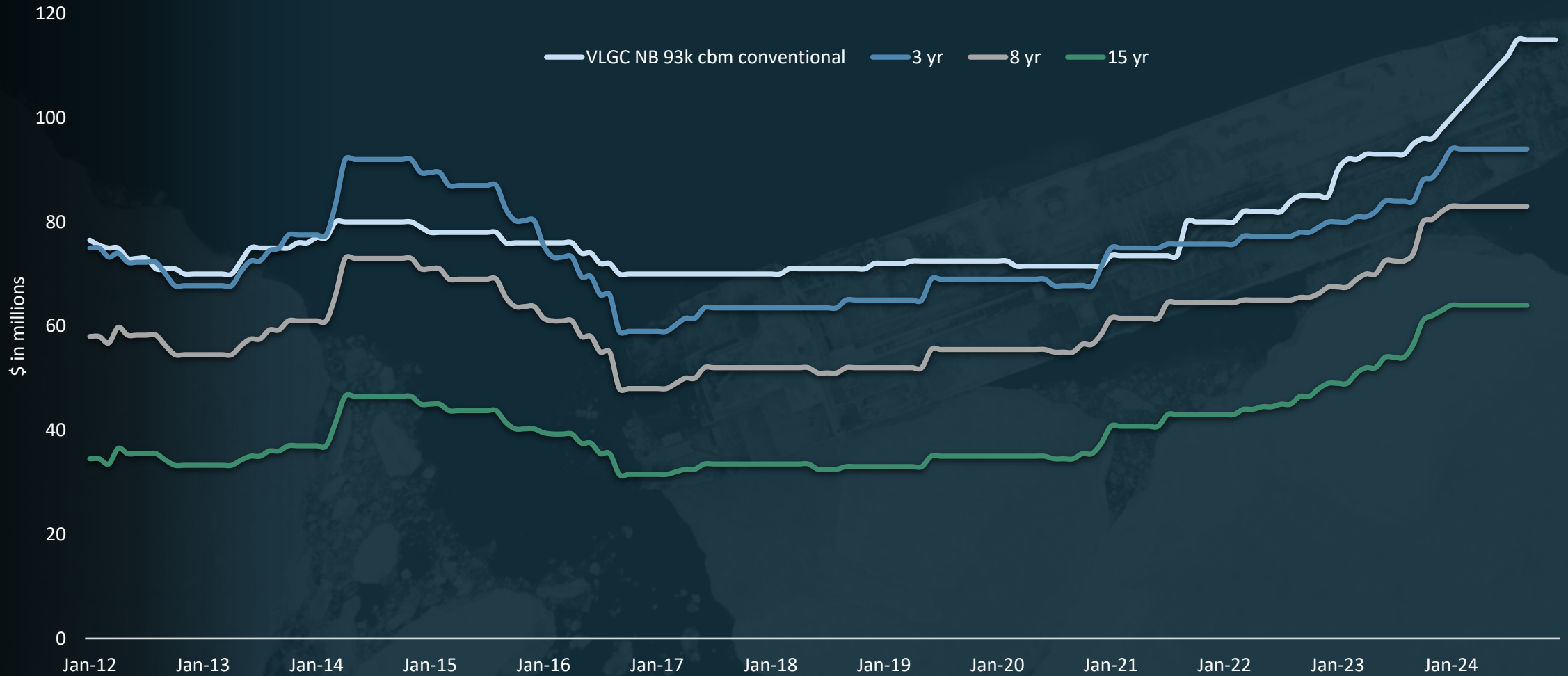
VLGC fleet by age



# LPG/VLGC Perspectives

Asset Values - "Ammonia-capable & ammonia-ready" price tag of about \$120-125 million. Slow-down in ordering

Newbuilding prices have continued upward as further yard capacity has been tied up







# Summary and outlook

Solid 2025, more uncertain future

Due to **low fleet growth** against a **high number of SS's**, continued **increase in production & exports from the U.S.**, as well as **increased capacity in the Middle East** – we expect 2025 to be another solid year in freight.

Medium & long-term outlook remains more bearish, with **extensive fleet growth**, against uncertain predictability of export volumes as well as sailing patterns, which heavily affects **fleet capacity**.

-  Investment Banking | Direct Investments
-  Renewable Energy & Cleantech
-  Aquaculture
-  Shipping
-  Offshore Rig
-  Offshore Supply
-  Asset Management



<b>Oslo</b>	Hong Kong	Mumbai	Geneva	Stockholm	Bergen
Beijing	Shanghai	New York	Singapore	Dubai	Xiamen
Tokyo	London	Houston	Kuala Lumpur	Sao Paulo	Seoul

The Astrup Fearnley Global Network

# Disclaimer

## Research

### **1. Introduction**

*The statistical and graphic information set forth in the analysis is compiled by Fearnresearch and based on the databases and time series supplied by Fearnresearch, the research division of Fearnleys AS, and other external sources of information. Fearnresearch compiles, processes and publishes data for the benefit of the brokering departments of Fearnleys AS and its clients. Its methodologies for collecting data, and therefore the data collected, may differ from those of other sources, and its data do not reflect all or even necessarily a comprehensive set of actual transactions occurring in the market. Certain estimates may be based on prevailing market conditions. There can be no assurance that such data reflect actual market conditions.*

*Data compilation, especially for earlier historical periods, is subject to limited audit and validation procedures. Both closed and open sources, interviews and market intelligence to gain information on different topics may be used. Accordingly, there can be no assurance as to the accuracy or completeness of the estimates, advice, statements and any other information contained in the analysis.*

### **2. Risks**

*Research coverage of Fearnleys AS encompasses solely companies within the shipping sector. This sector is cyclical by nature and will over time presumably experience higher volatility than the overall market.*

### **3. Confidentiality**

*Pursuant to Fearnleys' Code of Conduct, all employees of Fearnleys AS are subject to duty of confidentiality towards clients and with respect to handling inside information. All employees shall follow strict information handling procedures and other organizational procedures to minimize conflicts of interest within Fearnleys and between clients.*

### **4. General Disclaimer of Liability**

*The analyses, estimates, advice, statement and any other information contained in the analysis are prepared and presented in good faith. However, neither Fearnresearch, Fearnleys AS nor any of their subsidiaries, associated companies, organisations, management personnel, employees, agents or independent contractors (collectively the "Fearnley Interests") shall under any circumstances be under any liability for any losses, damages or costs caused to any person, company or other legal entity arising or resulting directly or indirectly from reliance on any inaccurate, incorrect, incomplete or misleading analyses, estimate, advice, statement or any other information contained in the analysis resulting directly or indirectly from any negligent or gross negligent act(s) or omission (s), or wilful misconduct, committed by any of the Fearnley Interests.*

*In the event that a court or tribunal, notwithstanding the above liability exemptions, should hold any, some or all of the Fearnley Interests liable in damages for any inaccurate, incorrect, incomplete or misleading analyses, estimate, advice, statement or any other information, the liability shall not under any circumstances whatsoever exceed in total ten (10) times the fees payable for the analysis in question, or US\$ 100,000 (United States Dollar Hundred Thousand), whichever is the higher.*

*Under no circumstances whatsoever shall the individual or individuals who have caused the losses, damage or costs be held personally responsible or liable in any way. The Fearnley Interests shall under no circumstances whatsoever be liable for punitive damages.*

*The analysis is prepared to the benefit of the named addressee only. No other third party may rely on the analysis or any of its content without prior written approval of Fearnley Consultants AS.*

*Should any part of this clause be held unenforceable, non-operative or invalid by a court or tribunal, the remaining parts shall remain in full force.*

### **5. Processing of Personal Data**

*The processing of personal data within Fearnleys AS is subject to strict rules and regulations. Our Privacy Policy describes the procedures for processing personal data according to the General Data Protection Regulation (GDPR). Please see our homepage for more information on this.*