



Lorentzen & Stemoco

# Joint Shipping Service Morning Report



December 1, 2011

## Dry Bulk Market

	Today	Previous	Change	Change YTD
<b>Average TCEs</b>				
Capesize (\$/day)	\$28,173	\$27,206	3.6 %	50.7 %
Panamax (\$/day)	\$13,792	\$13,979	-1.3 %	-3.6 %
Supramax (\$/day)	\$14,209	\$14,284	-0.5 %	-4.4 %
BDI	1,846	1,828	1.0 %	9.0 %
<b>Dry Commodities</b>				
India Iron Ore China Landed 63% Fe (\$/ton)	\$143	\$143	0.0 %	-18.8 %
China Average HR Sheet (\$/ton)	\$664	\$661	0.5 %	-4.7 %
Amsterdam Coal API#2 (\$/ton)	\$112.20	\$112.20	0.0 %	-15.0 %
Red Hard Wheat KCBT (\$/bushel)	\$6.33	\$6.34	-0.2 %	-16.9 %

China, the world's biggest energy user, increased retail and wholesale electricity prices for the first time in six months and said it will cap the cost of power-station coal in a move that may reduce outages in coming months. Wholesale rates charged by coal-fired power plants to distributors, or the on-grid tariff, rose by RMB 0.026 a kilowatt-hour effective today, according to a statement on the National Development and Reform Commission website yesterday. Retail power prices rose by an average RMB 0.03 a kilowatt-hour, the NDRC said. Price gains for contract thermal coal next year will be limited to less than 5 percent, it said. The increases may reduce pressure on profit margins at power plants, encouraging them to boost generation. The nation faces a shortage of as much as 40 gigawatts in the winter and spring, the China Electricity Council said Oct. 27.

## Tanker Market

	Today	Previous	Change	Change YTD
<b>Average TCEs</b>				
VLCC TD3 MEG-Japan (\$/day)	\$14,052	\$14,286	-1.6 %	-13.3 %
Suez Average (\$/day)	\$16,382	\$15,374	6.6 %	-23.1 %
Aframax Average (\$/day)	\$3,707	\$4,156	-10.8 %	-60.7 %
MR Average (\$/day)	\$9,667	\$9,857	-1.9 %	-7.1 %
<b>Oil Commodities</b>				
Brent Front Month (\$/bbl)	\$110.89	\$110.52	0.3 %	16.9 %
WTI Front Month (\$/bbl)	\$100.36	\$99.79	0.6 %	10.0 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0.49	-\$0.54	9.3 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	\$7.06	-\$4.11	\$11.2	-

According to TradeWinds, Scorpio Tankers has turned to investors for the cash it needs to bankroll the acquisition of two product carriers that it is looking to build in South Korea. New York-listed Scorpio says it intends to offload 7,000,000 shares of common stock in an underwritten offering backed by book runner Morgan Stanley. Based on a closing price of approximately USD 6.66 a share, which fell 10.81 percent to USD 5.94 in the hour following the announcement, the fundraiser would be worth more than USD 46m.

## Gas Market

	Today	Previous	Change	Change YTD
<b>Freight Rates</b>				
LPG Average (\$/ton)	63.47	64.59	-1.7 %	65.7 %
<b>Gas Commodities</b>				
Propane AG Spot (\$/ton)	765.00	764.00	0.1 %	-16.2 %
Butane AG Spot (\$/ton)	800.00	799.00	0.1 %	-10.9 %
Natural Gas (\$/MMBTU)	3.55	3.38	5.0 %	-21.8 %
<b>Bunkers</b>				
380 cSt Fujairah	691.00	682.50	1.2 %	33.0 %
380 cSt Rotterdam	626.50	624.00	0.4 %	27.1 %
380 cSt Houston	642.00	637.00	0.8 %	28.5 %

Australian liquefied natural gas projects face delays and cost overruns that threaten to undermine their credit quality as the nation moves to become the world's biggest exporter of the fuel, Standard & Poor's said. "Due to the sheer size of the projects, substantial execution risks could derail them in the next three years," S&P said in a report today. Australia is set to complete USD 150 billion in LNG ventures in the next decade, S&P said.

Source: Bloomberg / Lorentzen & Stemoco AS

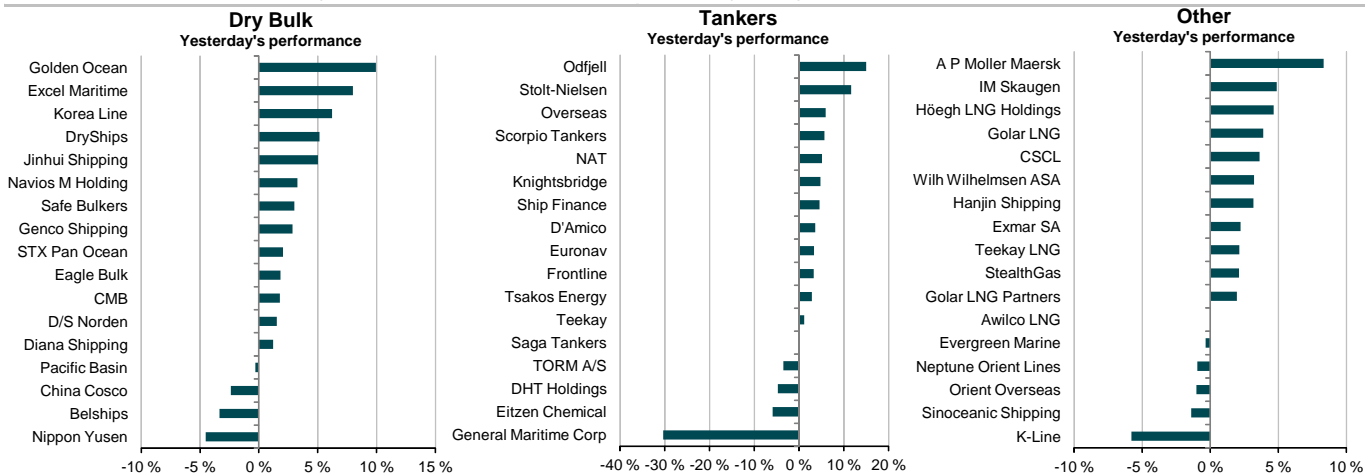
## Shipping Equities

### Selected news:

Scorpio Tankers (Buy, tp USD 9/share) yesterday announced it intends to offer 7,000,000 shares of its common stock in an underwritten public offering. The purpose of the offering is to enable the company to fund the acquisition of two 52,000 dwt newbuildings it is currently negotiating to have constructed at Hyundai Mipo in South Korea. Proceeds will be used to repay partially its 2010 credit facility, however all or a portion of the amount available under the facility will be used to fund the newbuilding acquisitions. STNG already has five similar vessels under construction at the same yard.

Tradewinds reports that a small group of DryShips shareholders accuse DryShips' management of fraud and deceit in dealings related to securities offerings, the spin-off of Ocean Rig UDW as well as transactions between the listed company and Mr Economou's privately held Cardiff Marine. The complaint also accuses underwriters of failing to set "accurate" price targets.

Shares of troubled tanker owner General Maritime Corp has plunged to \$0.02/share on the OTC market. The market capitalisation of the company is thus reduced to only \$2.3m. 4m shares were traded yesterday. GMR was delisted from NYSE at a value of \$0.16/share. One year ago, the share traded at \$3.84/share.



Source: First Securities AS / JLT FactSet / Bloomberg / TradeWinds / Lloyd's List / Fairplay





Lorentzen & Stemoco

# Shipping Equities



Dry bulk		(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing	
Company	Ticker	Last	1d	1w	1m	YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Golden Ocean	GOGL NO	4.18	9.9 %	15 %	-8 %	-49 %	331	5.0	4.7	7.1	6.6	8 %	6 %	62 %	
Jinhui Shipping	JIN NO	10.45	5.0 %	8 %	-20 %	-46 %	152	1.5	3.2	3.6	4.7	0 %	0 %	70 %	
CMB	CMB BB	15.88	1.8 %	4 %	-9 %	-31 %	748	7.2	7.9	7.6	7.6	6 %	6 %	53 %	
DryShips	DRYS US	2.25	5.1 %	3 %	-22 %	-58 %	921	5.1	3.3	8.1	5.5	0 %	0 %	80 %	
Diana Shipping	DSX US	7.49	1.2 %	1 %	-11 %	-35 %	618	5.7	9.9	3.5	4.2	0 %	0 %	Neg.	
Genco Shipping	GNK US	7.58	2.8 %	10 %	-17 %	-47 %	273	10.7	na	7.0	8.7	0 %	0 %	84 %	
Navios M Holding	NM US	3.48	3.3 %	8 %	-12 %	-34 %	354	6.0	6.3	5.7	5.4	7 %	7 %	76 %	
Excel Maritime	EXM US	1.89	8.0 %	10 %	-36 %	-66 %	162	na	na	7.7	11.0	0 %	0 %	86 %	
Eagle Bulk	EGLE US	1.11	1.8 %	1 %	-34 %	-78 %	70	na	na	11.2	9.2	0 %	0 %	94 %	
Safe Bulkers	SB US	6.18	3.0 %	3 %	-12 %	-30 %	438	4.1	4.1	6.5	6.0	10 %	10 %	50 %	
Korea Line	005880 KS	32,450	6.2 %	5 %	-23 %	-78 %	376	na	na	na	na	na	na	na	
STX Pan Ocean	STX SP	6.50	2.0 %	-6 %	-21 %	-50 %	1,044	na	na	na	na	0 %	0 %	71 %	
Nippon Yusen	9101 JP	169	-4.5 %	10 %	-18 %	-53 %	3,702	na	18.0	10.7	8.9	2 %	2 %	76 %	
Pacific Basin	2343 HK	3.35	-0.3 %	1 %	-6 %	-35 %	834	na	14.4	7.2	6.5	2 %	3 %	21 %	
Belships	BEL NO	5.49	-3.3 %	-3 %	-9 %	-24 %	24	na	na	na	na	na	na	na	
China Cosco	1919 HK	3.29	-2.4 %	0 %	-23 %	-60 %	8,115	na	na	na	na	0 %	0 %	34 %	
D/S Nordco	DNORD DC	147	1.5 %	5 %	-10 %	-28 %	1,140	12.3	15.5	5.2	5.2	4 %	3 %	Neg.	
<b>Market cap weighted average</b>			<b>-0.8 %</b>	<b>3.1 %</b>	<b>-18.7 %</b>	<b>-52.0 %</b>		<b>7.3</b>	<b>12.7</b>	<b>8.0</b>	<b>7.2</b>	<b>2 %</b>	<b>1 %</b>		

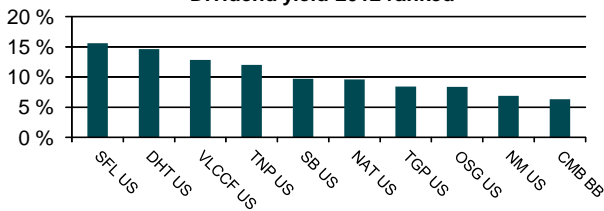
  

Tankers		(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing	
Company	Ticker	Last	1d	1w	1m	YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Frontline	FRO NO	17	3.1 %	2 %	-45 %	-89 %	231	na	na	12.3	13.6	4 %	0 %	91 %	
Ship Finance	SFL US	10.01	4.6 %	-4 %	-32 %	-53 %	792	6.1	6.1	13.0	11.1	16 %	16 %	71 %	
Euronav	EURN BB	3.38	3.4 %	14 %	1 %	-73 %	235	na	na	9.8	11.5	0 %	0 %	84 %	
General Maritime Corp	GMRRQ US	0.02	-30.4 %	-46 %	-93 %	-99 %	2	na	na	na	na	0 %	0 %	100 %	
Teekay	TK US	27.62	1.2 %	4 %	5 %	-17 %	1,933	na	na	10.7	8.7	5 %	5 %	73 %	
Overseas	OSG US	10.55	5.9 %	3 %	-24 %	-70 %	321	na	na	na	15.7	12 %	8 %	86 %	
NAT	NAT US	12.53	5.1 %	2 %	-18 %	-52 %	592	na	na	na	17.7	10 %	10 %	23 %	
Tsakos Energy	TNP US	5.00	2.9 %	-1 %	-17 %	-50 %	231	na	na	15.1	12.6	12 %	12 %	85 %	
Saga Tankers	SAGA NO	1.63	0.0 %	0 %	12 %	-71 %	25	na	na	5.4	5.9	0 %	0 %	20 %	
Knightsbridge	VLCFF US	15.59	4.8 %	5 %	-13 %	-30 %	381	11.4	12.5	7.5	7.5	13 %	13 %	18 %	
DHT Holdings	DHT US	1	-4.7 %	-13 %	-50 %	-82 %	51	3.4	10.3	5.6	6.2	32 %	15 %	83 %	
Odfjell	ODF NO	35.30	15.0 %	24 %	0 %	-35 %	531	na	na	10.1	8.5	3 %	3 %	66 %	
TORM A/S	TORM DC	3.25	-3.5 %	15 %	-60 %	-92 %	43	na	na	na	na	0 %	0 %	98 %	
Stolt-Nielsen	SNI NO	115.00	11.7 %	14 %	5 %	-19 %	1,279	12.7	8.8	8.6	7.3	5 %	5 %	53 %	
Eitzen Chemical	ECHEM NO	0.16	-5.9 %	14 %	-30 %	-91 %	31	na	na	na	na	0 %	0 %	97 %	
Scorpio Tankers	STNG US	6.66	5.7 %	12 %	2 %	-34 %	120	na	na	na	17.8	0 %	0 %	52 %	
D'Amico	DIS IM	0.44	3.7 %	1 %	-24 %	-55 %	88	na	6.7	10.2	5.4	0 %	2 %	77 %	
<b>Market cap weighted average</b>			<b>5.5 %</b>	<b>6.5 %</b>	<b>-8.0 %</b>	<b>-36.8 %</b>		<b>10.2</b>	<b>8.5</b>	<b>10.4</b>	<b>10.2</b>	<b>7 %</b>	<b>7 %</b>		

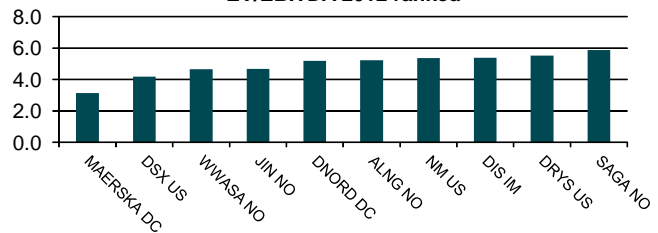
  

Other		(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing	
Company	Ticker	Last	1d	1w	1m	YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Golar LNG	GOL NO	253.00	3.9 %	13 %	14 %	183 %	3,500	na	na	14.3	14.3	3 %	3 %	21 %	
Golar LNG Partners	GMLP US	29.14	2.0 %	2 %	0 %	na	1,139	na	15.0	14.2	11.3	4 %	6 %	40 %	
Høegh LNG Holdings	HLNG NO	45.00	4.7 %	2 %	13 %	na	353	na	na	na	na	0 %	0 %	46 %	
IM Skaugen	IMSK NO	30.00	4.9 %	5 %	3 %	-19 %	141	na	16.8	19.2	10.0	0 %	0 %	49 %	
Exmar SA	EXM BB	5.49	2.2 %	8 %	2 %	2 %	440	na	10.6	10.8	8.2	5 %	3 %	67 %	
Teekay LNG	TGP US	32	2.1 %	4 %	-11 %	-15 %	2,088	18.0	14.9	13.3	11.6	8 %	8 %	42 %	
StealthGas	GASS US	3.85	2.1 %	7 %	-8 %	-52 %	81	7.5	5.0	na	na	na	na	na	
Avilco LNG	ALNG NO	22.00	0.0 %	5 %	5 %	na	259	na	7.2	na	5.2	0 %	0 %	Neg.	
A P Moller Maersk	MAERSKA DC	35,920.00	8.3 %	15 %	-2 %	-27 %	29,405	12.6	11.6	3.1	3.1	3 %	3 %	34 %	
Evergreen Marine	EVGFZ US	14.55	-0.3 %	-1 %	-14 %	-47 %	1,666	na	na	na	12.1	0 %	0 %	32 %	
Sinoceanic Shipping	SINO NO	5	-1.4 %	-2 %	-22 %	-42 %	11	na	na	na	na	na	na	na	
Hanjin Shipping	000700 KS	7,490	3.2 %	8 %	-17 %	-60 %	287	na	na	na	na	na	na	na	
K-Line	9107 JP	130.00	-5.8 %	9 %	-22 %	-64 %	1,282	na	na	na	14.2	0 %	0 %	82 %	
CSC	2866 HK	1.43	3.6 %	11 %	-7 %	-58 %	5,410	na	na	na	na	0 %	0 %	21 %	
Orient Overseas	316 HK	34.20	-1.0 %	1 %	-8 %	-44 %	2,753	17.0	13.7	7.6	6.7	2 %	2 %	18 %	
Neptune Orient Lines	NOL SP	1.04	-1.0 %	1 %	-10 %	-53 %	2,088	na	na	na	11.6	0 %	0 %	38 %	
Wihlhelmsen ASA	WWASA NO	29	3.2 %	7 %	-6 %	-32 %	1,102	7.5	5.1	5.4	4.7	4 %	4 %	51 %	
<b>Market cap weighted average</b>			<b>5.4 %</b>	<b>11.2 %</b>	<b>-3.4 %</b>	<b>-18.8 %</b>		<b>13.1</b>	<b>11.8</b>	<b>4.6</b>	<b>5.9</b>	<b>2 %</b>	<b>2 %</b>		

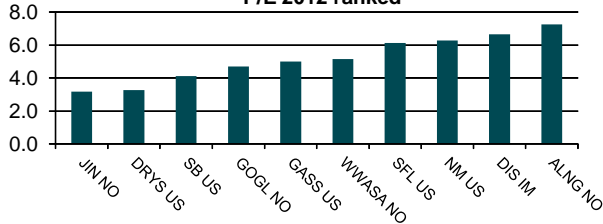
Dividend yield 2012 ranked



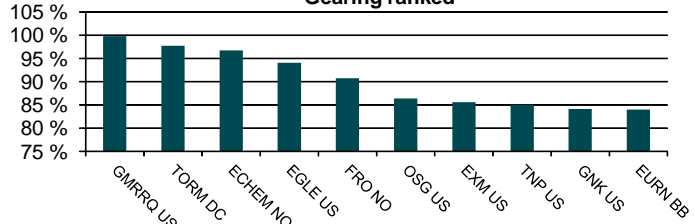
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked

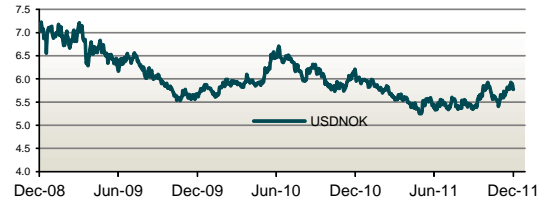


Source: JCF FactSet / First Securities AS



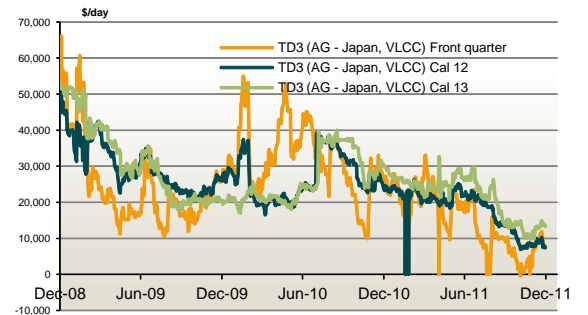
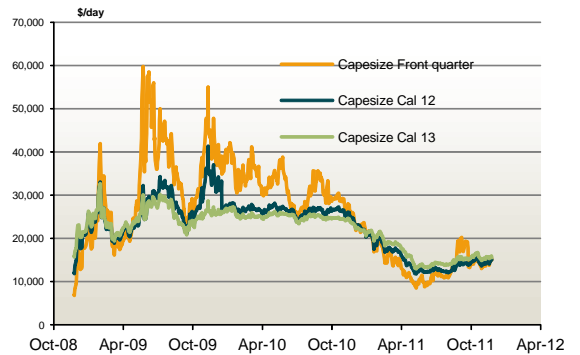
## Currencies

	Today	Previous	Change
EURUSD	1.3455	1.3446	0.1 %
EURJPY	104.46	104.37	0.1 %
USDJPY	77.63	77.62	0.0 %
USDKRW	1,126.1	1,142.6	-1.4 %
USDCNY	6.3657	6.3793	-0.2 %
USDNOK	5.7766	5.771	0.1 %



## FFAs

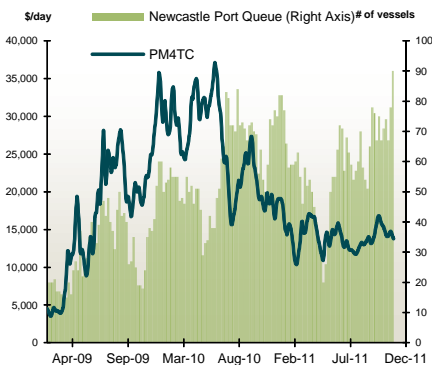
	Today	Previous	Change
Capesize Front quarter	15,088	15,467	-2.5 %
Capesize Cal 12	15,031	15,292	-1.7 %
Capesize Cal 13	15,613	15,975	-2.3 %
	(\$/day)	(\$/day)	
Panamax Front quarter	11,208	11,407	-1.7 %
Panamax Cal 12	11,172	11,438	-2.3 %
Panamax Cal 13	11,692	11,850	-1.3 %
Supramax Front quarter	11,392	11,517	-1.1 %
PM4TC Cal 12	11,292	11,484	-1.7 %
PM4TC Cal 13	11,508	11,729	-1.9 %
TD3 (AG - Japan, VLCC) Front quarter	7,925	7,702	2.9 %
TD3 (AG - Japan, VLCC) Cal 12	7,426	7,441	-0.2 %
TD3 (AG - Japan, VLCC) Cal 13	13,337	13,691	-2.6 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	14,952	14,260	4.9 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	12,510	12,524	-0.1 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	15,992	16,267	-1.7 %
TC2 (ARA - USEC, MR) Front quarter	8,606	8,833	-2.6 %
TC2 (ARA - USEC, MR) Cal 12	8,843	8,955	-1.3 %
TC2 (ARA - USEC, MR) Cal 13	10,101	10,333	-2.2 %



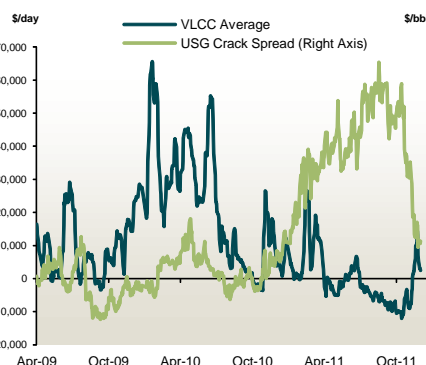
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

## Selected Indicators

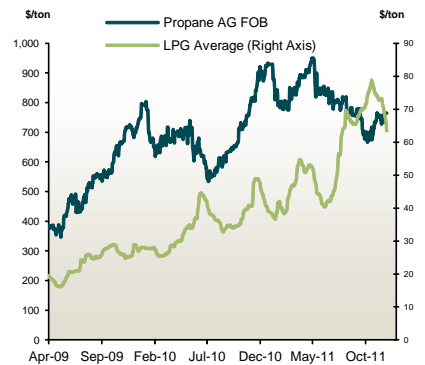
### Dry Bulk



### Tanker



### Gas



Source: Bloomberg / Lorentzen & Stemoco AS





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# General Disclaimer



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