



Lorentzen & Stemoco

# Joint Shipping Service Morning Report



December 2, 2011

## Dry Bulk Market

	Today	Previous	Change	Change YTD
<b>Average TCEs</b>				
Capesize (\$/day)	\$29,010	\$28,173	3.0 %	55.2 %
Panamax (\$/day)	\$13,657	\$13,792	-1.0 %	-4.6 %
Supramax (\$/day)	\$14,089	\$14,209	-0.8 %	-5.2 %
BDI	1,862	1,846	0.9 %	10.0 %
<b>Dry Commodities</b>				
India Iron Ore China Landed 63% Fe (\$/ton)	\$143	\$143	0.0 %	-18.8 %
China Average HR Sheet (\$/ton)	\$665	\$663	0.3 %	-4.6 %
Amsterdam Coal API#2 (\$/ton)	\$112.00	\$112.00	0.0 %	-15.2 %
Red Hard Wheat KCBT (\$/bushel)	\$6.33	\$6.33	0.0 %	-17.3 %

Bloomberg reports that Vale SA expects its valemaxes, the world's biggest iron-ore carriers, to eventually be allowed into ports in China, the biggest user of the commodity. Vale Brasil, the first such vessel Rio de Janeiro-based Vale had built, was diverted to Italy in June on its maiden voyage to China. Neither that ship nor four more completed since then have called at Chinese ports, vessel-tracking data compiled by Bloomberg show. The world's biggest iron-ore producer is spending at least USD 8.1 billion on a fleet of 35 carriers, some of which are being built in China. "We talk with a lot of different ports in China, so we are confident that sooner or later we are going to sort it out," Chief Financial Officer Tito Martins said in an interview in New York. "We are optimists. We don't see an issue."

## Tanker Market

	Today	Previous	Change	Change YTD
<b>Average TCEs</b>				
VLCC TD3 MEG-Japan (\$/day)	\$13,179	\$14,052	-6.2 %	-18.7 %
Suez Average (\$/day)	\$15,758	\$16,382	-3.8 %	-26.1 %
Aframax Average (\$/day)	\$3,325	\$3,707	-10.3 %	-64.8 %
MR Average (\$/day)	\$9,724	\$9,667	0.6 %	-6.6 %
<b>Oil Commodities</b>				
Brent Front Month (\$/bbl)	\$109.92	\$108.99	0.9 %	15.9 %
WTI Front Month (\$/bbl)	\$100.20	\$100.36	-0.2 %	10.2 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0.35	-\$0.28	-25.0 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	-\$1.94	\$7.06	-\$9.0	-

Sunoco Inc said on Thursday it plans to immediately shut down its 178,000 barrel per day refinery in Marcus Hook, Pennsylvania ahead of a July 2012 deadline as regional profit margins outlooks remain glum. Sunoco said it would increase the capacity utilization rate at its neighboring Philadelphia refinery and operate that refinery as long as market conditions warrant, according to Reuters. The shutdown of East Coast refineries is expected to have an adverse effect on Suezmax earnings on trades from West Africa to USEC.

## Gas Market

	Today	Previous	Change	Change YTD
<b>Freight Rates</b>				
LPG Average (\$/ton)	62.66	63.47	-1.3 %	63.6 %
<b>Gas Commodities</b>				
Propane AG Spot (\$/ton)	757.00	765.00	-1.0 %	-17.1 %
Butane AG Spot (\$/ton)	807.00	800.00	0.9 %	-10.1 %
Natural Gas (\$/MMBTU)	3.49	3.55	-1.7 %	-23.1 %
<b>Bunkers</b>				
380 cSt Fujairah	690.50	691.00	-0.1 %	32.9 %
380 cSt Rotterdam	626.50	626.50	0.0 %	27.1 %
380 cSt Houston	645.00	642.00	0.5 %	29.1 %

Front-month U.S. natural gas futures ended higher on Thursday, backed by a government report showing an unexpected drop in domestic gas inventories last week, the first withdrawal of the heating season. "The (EIA) report was more bullish than expected, and inventory numbers over the last three weeks have been supportive on a weather-adjusted basis, but I'm still leaning bearish," a Massachusetts-based trader told Reuters, noting storage was still near record highs and offered a huge cushion to meet demand even if winter turns out to be extremely cold.

Source: Bloomberg / Lorentzen & Stemoco AS

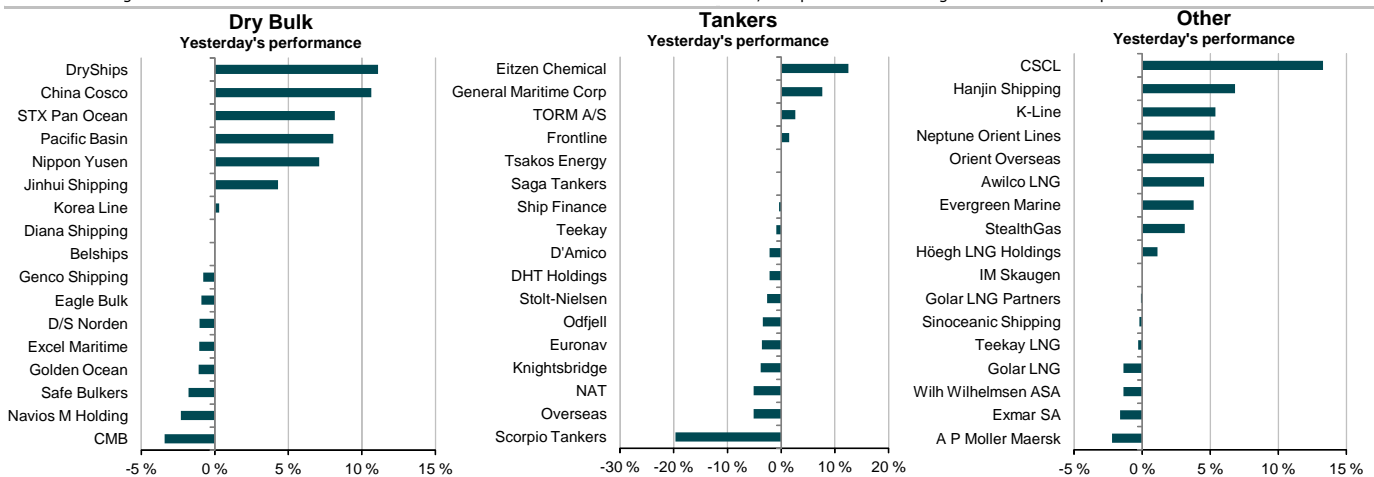
## Shipping Equities

### Selected news:

Scorpio Tankers (Buy, tp USD 9/share) has priced its public offering of 7m shares of its common stock at \$5.5/share. Further, underwriters have the option to purchase 1,050,000 shares to cover over-allotments within 30 days. STNG yesterday closed at \$5.35/share, down 20% from Wednesday. The proceeds from the offering will be used to fund two MR newbuildings.

Safe Bulkers yesterday announced it has entered into a new time charter for its Kamsarmax Pedhoulas Trader at a rate linked to the Baltic Panamax Index plus a premium of 6.5%. The charter has a duration of 23-25 months and will commence when the ship gets delivered in 2013.

CMA CGM and MSC yesterday announced they have signed a major partnership agreement. The world's second and third largest container lines will enter an operating partnership spanning several trades, including Asia/Europe, Asia/S Africa as well as the South American markets. The agreement will help to drive extensive operating synergies and enhance quality of service for the customers, CMA CGM said in an announcement, also explaining that the total number of ports of call and frequency of sailings will increase. The decision comes only weeks after the world's largest boxship operator, Maersk, announced it will start a daily service on the Asia/Europe trade lane using a number of 70 ships.



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



Lorentzen & Stemoco

# Shipping Equities



## Dry bulk

Company	Ticker	(Local curr) Last	Performance			
			1d	1w	1m	YTD
Golden Ocean	GOGL NO	4.13	-1.1 %	14 %	3 %	-49 %
Jinhui Shipping	JIN NO	10.90	4.3 %	11 %	-6 %	-44 %
CMB	CMB BB	15.34	-3.4 %	0 %	-7 %	-33 %
DryShips	DRYS US	2.50	11.1 %	16 %	-5 %	-53 %
Diana Shipping	DSX US	7.49	0.0 %	3 %	-8 %	-35 %
Genco Shipping	GNK US	7.52	-0.8 %	9 %	-16 %	-48 %
Navios M Holding	NM US	3.40	-2.3 %	6 %	-6 %	-36 %
Excel Maritime	EXM US	1.87	-1.1 %	13 %	-25 %	-67 %
Eagle Bulk	EGLE US	1.10	-0.9 %	-2 %	-23 %	-78 %
Safe Bulkers	SB US	6.07	-1.8 %	2 %	-7 %	-31 %
Korea Line	005880 KS	32,550	0.3 %	23 %	-22 %	-78 %
STX Pan Ocean	STX SP	7.03	8.2 %	9 %	-15 %	-46 %
Nippon Yusen	9101 JP	181	7.1 %	14 %	-7 %	-50 %
Pacific Basin	2343 HK	3.62	8.1 %	10 %	1 %	-30 %
Belships	BEL NO	5.49	0.0 %	-3 %	-9 %	-24 %
China Cosco	1919 HK	3.64	10.6 %	11 %	-3 %	-56 %
D/S Nordco	DNORD DC	145	-1.0 %	4 %	-4 %	-28 %

### Market cap weighted average

7.1 % 10.7 % -5.8 % -49.3 %

## Tankers

Company	Ticker	(Local curr) Last	Performance			
			1d	1w	1m	YTD
Frontline	FRO NO	17	1.5 %	7 %	-35 %	-88 %
Ship Finance	SFL US	9.97	-0.4 %	0 %	-28 %	-54 %
Euronav	EURN BB	3.26	-3.6 %	9 %	5 %	-74 %
General Maritime Corp	GMRRQ US	0.02	7.7 %	-44 %	-91 %	-99 %
Teekay	TK US	27.38	-0.9 %	4 %	9 %	-17 %
Overseas	OSG US	10.01	-5.1 %	2 %	-23 %	-72 %
NAT	NAT US	11.89	-5.1 %	-1 %	-15 %	-54 %
Tsakos Energy	TNP US	5.00	0.0 %	1 %	-16 %	-50 %
Saga Tankers	SAGA NO	1.63	0.0 %	0 %	12 %	-71 %
Knightsbridge	VLCCF US	15.00	-3.8 %	2 %	-11 %	-33 %
DHT Holdings	DHT US	1	-2.2 %	-12 %	-47 %	-83 %
Odfjell	ODF NO	34.10	-3.4 %	17 %	-3 %	-37 %
TORM A/S	TORM DC	3.34	2.6 %	19 %	-44 %	-91 %
Stolt-Nielsen	SNI NO	112.00	-2.6 %	14 %	7 %	-21 %
Eitzen Chemical	EICHEM NO	0.18	12.5 %	20 %	-10 %	-90 %
Scorpio Tankers	STNG US	5.35	-19.7 %	-4 %	-9 %	-47 %
D'Amico	DIS IM	0.43	-2.1 %	6 %	-22 %	-56 %

### Market cap weighted average

-2.2 % 5.7 % -5.4 % -38.2 %

## Other

Company	Ticker	(Local curr) Last	Performance			
			1d	1w	1m	YTD
Golar LNG	GOL NO	249.50	-1.4 %	7 %	13 %	180 %
Golar LNG Partners	GLMP US	29.11	-0.1 %	2 %	2 %	na
Höegh LNG Holdings	HLNG NO	45.50	1.1 %	1 %	16 %	na
IM Skaugen	IMSK NO	30.00	0.0 %	2 %	0 %	-19 %
Exmar SA	EXM BB	5.40	-1.6 %	3 %	4 %	0 %
Teekay LNG	TGP US	32	-0.3 %	4 %	-7 %	-16 %
StealthGas	GASS US	3.97	3.1 %	7 %	-2 %	-50 %
Awilco LNG	ALNG NO	23.00	4.5 %	10 %	10 %	na
A P Moller Maersk	MAERSKA DC	35,120.00	-2.2 %	12 %	5 %	-29 %
Evergreen Marine	EVGZF US	15.10	3.8 %	2 %	-10 %	-45 %
Sinoceanic Shipping	SINO NO	5	-0.2 %	-6 %	-17 %	-42 %
Hanjin Shipping	000700 KS	8,000	6.8 %	16 %	-6 %	-57 %
K-Line	9107 JP	137.00	5.4 %	11 %	-13 %	-62 %
CSC	2866 HK	1.62	13.3 %	28 %	15 %	-53 %
Orient Overseas	316 HK	36.00	5.3 %	4 %	0 %	-41 %
Neptune Orient Lines	NOL SP	1.09	5.3 %	8 %	1 %	-50 %
With Wilhelmsen ASA	WWASA NO	29	-1.4 %	7 %	-3 %	-33 %

### Market cap weighted average

1.0 % 11.8 % 4.5 % -19.7 %

(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing
	11	12	11	12	11	12	Net debt/EV
326	4.9	4.6	7.0	6.6	8 %	6 %	62 %
158	1.6	3.3	3.7	4.7	0 %	0 %	69 %
723	6.9	7.7	7.5	7.5	7 %	7 %	54 %
1,023	5.7	3.8	8.5	5.6	0 %	0 %	78 %
618	5.7	9.9	3.5	4.2	0 %	0 %	Neg.
270	10.7	na	7.0	8.7	0 %	0 %	84 %
346	5.9	6.1	5.7	5.3	7 %	7 %	76 %
160	na	na	7.7	10.9	0 %	0 %	86 %
69	na	na	11.2	9.2	0 %	0 %	94 %
430	4.1	4.0	6.5	5.9	10 %	10 %	50 %
383	na	na	na	na	na	na	na
1,129	na	na	na	na	0 %	0 %	69 %
3,961	na	19.3	11.2	9.1	2 %	2 %	75 %
902	na	15.5	7.6	7.0	2 %	3 %	19 %
24	na	na	na	na	na	na	na
8,974	na	na	na	na	0 %	0 %	32 %
1,130	12.2	15.4	5.1	5.1	4 %	3 %	Neg.

7.3 13.4 8.4 7.3 1 % 1 %

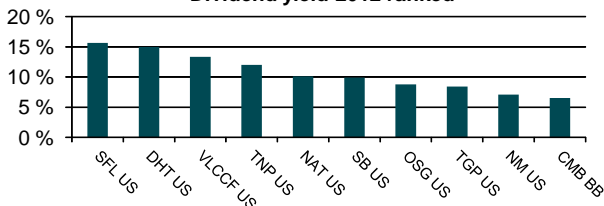
(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing
	11	12	11	12	11	12	Net debt/EV
234	na	na	12.3	13.6	4 %	0 %	91 %
789	6.1	6.1	13.0	11.1	16 %	16 %	71 %
227	na	na	9.6	11.4	0 %	0 %	84 %
3	na	na	na	na	0 %	0 %	100 %
1,916	na	na	10.7	8.7	5 %	5 %	73 %
305	na	na	na	15.6	13 %	9 %	87 %
562	na	na	na	17.0	10 %	10 %	24 %
231	na	na	15.1	12.6	12 %	12 %	85 %
24	na	na	5.4	5.9	0 %	0 %	20 %
366	11.0	12.0	7.3	7.2	13 %	13 %	19 %
50	3.3	10.0	5.6	6.2	32 %	15 %	83 %
506	na	na	10.0	8.4	3 %	3 %	67 %
44	na	na	na	na	0 %	0 %	98 %
1,241	12.3	8.6	8.4	7.2	5 %	5 %	54 %
35	na	na	na	na	0 %	0 %	96 %
97	na	na	19.2	16.7	0 %	0 %	58 %
86	na	6.5	10.7	5.8	0 %	2 %	76 %

9.9 8.3 10.5 10.1 7 % 7 %

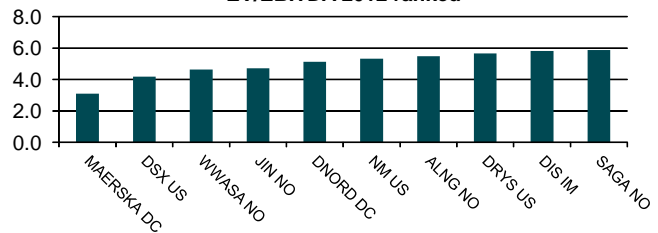
(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing
	11	12	11	12	11	12	Net debt/EV
3,440	na	na	na	14.1	3 %	3 %	21 %
1,138	na	15.0	14.2	11.2	4 %	6 %	40 %
356	na	na	na	19.6	0 %	0 %	49 %
140	na	16.7	19.1	10.0	0 %	0 %	50 %
433	na	10.4	10.9	8.0	5 %	4 %	67 %
2,081	17.9	14.9	13.2	11.5	8 %	8 %	43 %
84	7.8	5.2	na	na	na	na	na
269	na	7.6	na	5.5	0 %	0 %	Neg.
28,702	12.4	11.3	3.1	3.1	3 %	3 %	35 %
1,741	na	na	na	12.4	0 %	0 %	32 %
11	na	na	na	na	na	na	na
311	na	na	na	na	na	na	na
1,349	na	na	na	14.3	0 %	0 %	81 %
5,853	na	na	na	na	0 %	0 %	20 %
2,899	17.9	14.5	7.9	6.9	2 %	2 %	17 %
2,197	na	na	na	12.0	0 %	0 %	36 %
1,083	7.3	5.1	5.4	4.6	4 %	4 %	52 %

13.1 11.7 4.6 6.1 2 % 2 %

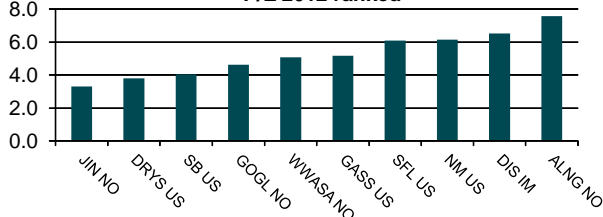
Dividend yield 2012 ranked



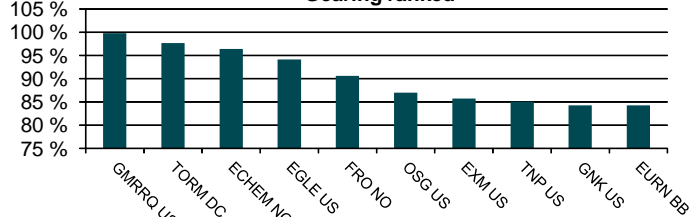
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS



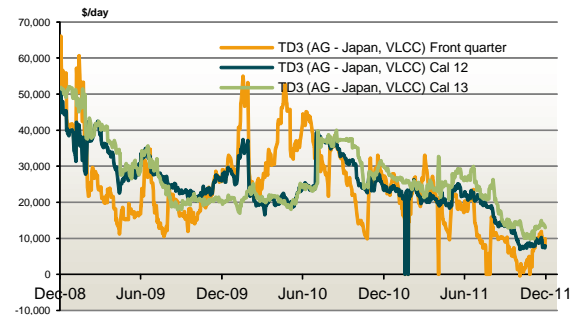
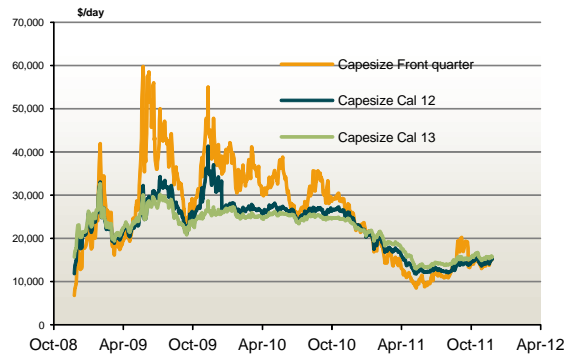
## Currencies

	Today	Previous	Change
EURUSD	1.3468	1.3461	0.1 %
EURJPY	104.77	104.6	0.2 %
USDJPY	77.79	77.7	0.1 %
USDKRW	1,131.3	1,126.1	0.5 %
USDCNY	6.3606	6.3667	-0.1 %
USDNOK	5.7918	5.8088	-0.3 %



## FFAs

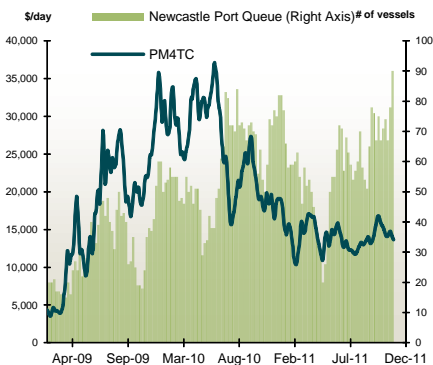
	Today	Previous	Change
Capesize Front quarter	15,608	15,088	3.4 %
Capesize Cal 12	15,396	15,031	2.4 %
Capesize Cal 13	15,842	15,613	1.5 %
	<b>(\$/day)</b>	<b>(\$/day)</b>	
Panamax Front quarter	11,058	11,208	-1.3 %
Panamax Cal 12	11,081	11,172	-0.8 %
Panamax Cal 13	11,620	11,692	-0.6 %
Supramax Front quarter	11,321	11,392	-0.6 %
PM4TC Cal 12	11,173	11,292	-1.1 %
PM4TC Cal 13	11,349	11,508	-1.4 %
TD3 (AG - Japan, VLCC) Front quarter	9,902	7,925	24.9 %
TD3 (AG - Japan, VLCC) Cal 12	7,905	7,426	6.5 %
TD3 (AG - Japan, VLCC) Cal 13	12,975	13,337	-2.7 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	14,862	14,952	-0.6 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	12,264	12,510	-2.0 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	15,641	15,992	-2.2 %
TC2 (ARA - USEC, MR) Front quarter	8,766	8,606	1.9 %
TC2 (ARA - USEC, MR) Cal 12	8,855	8,843	0.1 %
TC2 (ARA - USEC, MR) Cal 13	9,967	10,101	-1.3 %



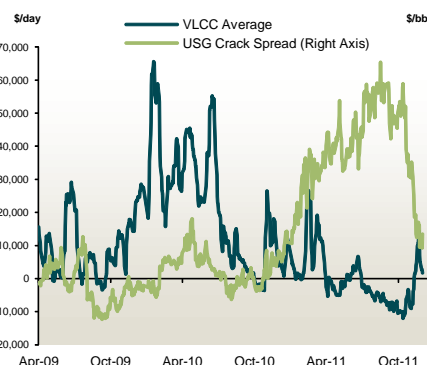
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

## Selected Indicators

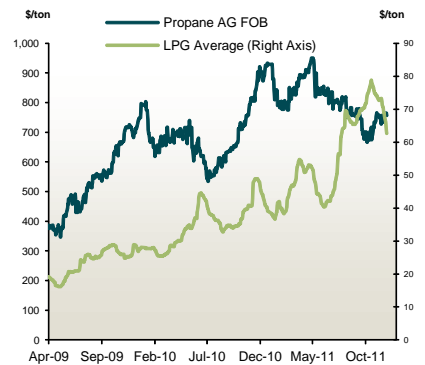
### Dry Bulk



### Tanker



### Gas



Source: Bloomberg / Lorentzen & Stemoco AS





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# General Disclaimer



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