



Lorentzen & Stemoco

Joint Shipping Service Morning Report



November 8, 2011

Dry Bulk Market

	Today	Previous	Change	Change YTD
Average TCEs				
Capesize (\$/day)	\$22,892	\$22,939	-0.2 %	22.4 %
Panamax (\$/day)	\$14,479	\$14,682	-1.4 %	1.2 %
Supramax (\$/day)	\$14,678	\$14,903	-1.5 %	-1.2 %
BDI	1,766	1,784	-1.0 %	4.3 %
Dry Commodities				
India Iron Ore China Landed 63% Fe (\$/ton)	\$140	\$140	0.0 %	-20.5 %
China Average HR Sheet (\$/ton)	\$668	\$668	0.0 %	-4.2 %
Amsterdam Coal API#2 (\$/ton)	\$118.25	\$118.25	0.0 %	-10.4 %
Red Hard Wheat KCBT (\$/bushel)	\$7.03	\$6.96	1.0 %	-10.9 %

According to the Financial Times, souring investor sentiment towards some of the biggest figures in shipping appears to be spreading from oil tanker operations to their less obviously troubled ventures, according to data on heavily short-sold stocks. Figures from Data Explorers, the research firm, show three companies associated with Peter Georgiopoulos, founder and chairman of General Maritime, the troubled New York-listed tanker operator, among the 15 shipping shares with the highest proportions out on loan. Investors borrow shares to make profits by selling them before buying them back more cheaply after an expected price fall

Tanker Market

	Today	Previous	Change	Change YTD
Average TCEs				
VLCC TD3 MEG-Japan (\$/day)	\$338	\$554	-39.0 %	-97.9 %
Suez Average (\$/day)	\$10,285	\$12,706	-19.1 %	-51.7 %
Aframax Average (\$/day)	\$758	\$1,350	-43.9 %	-92.0 %
MR Average (\$/day)	\$10,931	\$10,943	-0.1 %	5.0 %
Oil Commodities				
Brent Front Month (\$/bbl)	\$115.50	\$114.56	0.8 %	21.8 %
WTI Front Month (\$/bbl)	\$95.52	\$94.26	1.3 %	4.9 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$1.47	-\$1.40	-5.0 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	\$24.46	\$3.48	\$21.0	-

Exxon Mobil's Japanese refiner TonenGeneral Sekiyu will shut the sole 156,000 barrels per day (bpd) crude unit at its Sakai refinery in western Japan from Wednesday to deal with a glitch, a local fire department official said on Tuesday. The shutdown is expected to last about two weeks, the official told Reuters. The unplanned shutdown follows several other unplanned shutdowns in Asia, the largest occurring at Shell's 500,000 bpd Bukom refinery off Singapore due to a fire at the end of September. Bukom, which is amongst the largest refineries in Asia appears to be returning to action with the majority of capacity restored

Gas Market

	Today	Previous	Change	Change YTD
Freight Rates				
LPG Average (\$/ton)	73.03	73.53	-0.7 %	90.6 %
Gas Commodities				
Propane AG Spot (\$/ton)	757.50	757.50	0.0 %	-17.0 %
Butane AG Spot (\$/ton)	802.50	802.50	0.0 %	-10.6 %
Natural Gas (\$/MMBTU)	3.35	3.49	-4.0 %	-26.2 %
Bunkers				
380 cSt Fujairah	689.50	677.50	1.8 %	32.7 %
380 cSt Rotterdam	645.50	639.50	0.9 %	30.9 %
380 cSt Houston	650.50	654.50	-0.6 %	30.2 %

Nord Stream gas pipeline from Russia to Germany being launched on Tuesday was once billed as a means to bring extra Russian gas to Europe, but the costly link's main purpose now is to lessen Moscow's reliance on Ukraine's transit pipelines. The new 7.3 billion euro(\$10.04) pipeline under the Baltic Sea was designed at a time when European Union demand for natural gas and for imports from Russian gas export monopoly Gazprom were rising, writes Reuters

Source: Bloomberg / Lorentzen & Stemoco AS

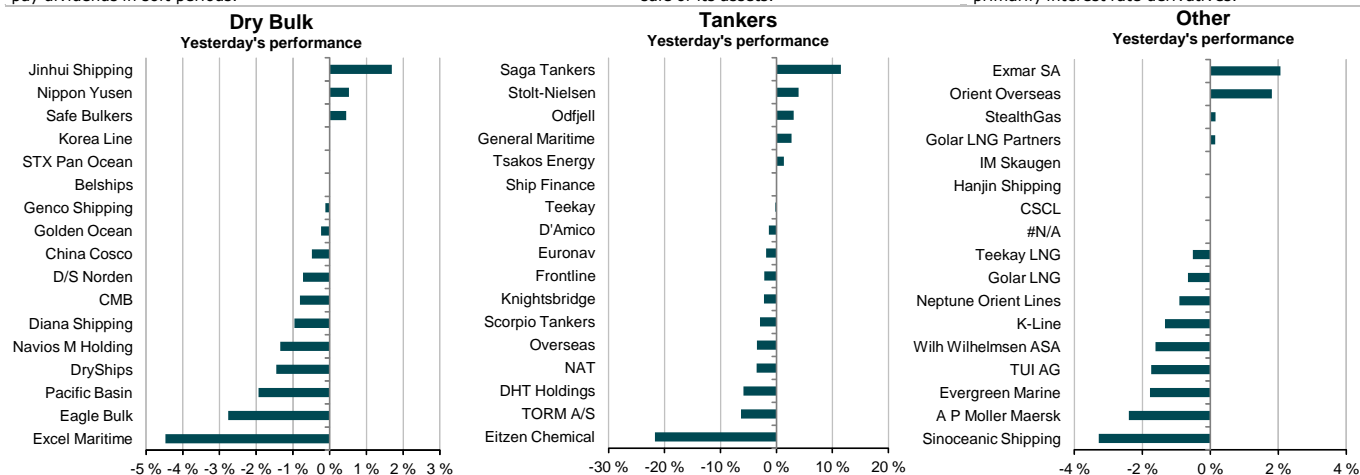
Shipping Equities

Selected news:

Nordic American Tankers (Reduce, tp USD 12/share) reported a net loss of \$22m for the third quarter; well below our \$22m net loss estimate as average TCEs disappointed greatly. The company's Suezmaxes sailed in \$8,000/day; well below our \$12,000/day estimate and peers such as Euronav, OSG and GMR that sailed in \$15,100/day, \$15,123/day and \$9,725/day respectively. Although below its cash break-even rate, NAT announced a dividend of \$0.30/share for the period and it says that it will continue to utilize its strong balance sheet to pay dividends in soft periods.

Saga Tankers reported a net loss of \$104m for the third quarter. Adjusting for impairment charges and losses on the sale of assets, the net loss was 2.3m as its spot-trading VLCCs sailed in \$13,031/day on average. The Board recommends to dissolve the company at the 2012 General Meeting following the sale of its assets.

With Wilhelmsen ASA (Buy tp NOK 45/share) reported an EBIT of \$91m for the third quarter; well above our estimate of \$62m as the company profited from a strong rebound in volumes from Japan, driven by replenishment of logistics pipelines after the disruptions following from the earthquake in March. The net result was \$29m after the company recorded a net loss on other financials, primarily interest rate derivatives.





Lorentzen & Stemoco

Shipping Equities



Dry bulk

Company	Ticker	(Local curr)	Performance				(mUSD)	P/E			EV/EBITDA			Yield		Gearing
			Last	1d	1w	1m		YTD	M cap	11	12	11	12	11	12	
Golden Ocean	GOGL NO	4.29	-0.2 %	7 %	3 %	-47 %	349	5.5	5.2	7.6	6.9	13 %	10 %	62 %		
Jinhui Shipping	JIN NO	12.00	1.7 %	3 %	12 %	-38 %	180	1.8	3.7	3.8	4.9	0 %	0 %	67 %		
CMB	CMB BB	15.93	-0.8 %	-4 %	-4 %	-31 %	767	7.2	8.0	7.6	7.6	6 %	6 %	53 %		
DryShips	DRYS US	2.72	-1.4 %	3 %	21 %	-49 %	1,111	6.3	3.9	8.1	5.7	0 %	0 %	76 %		
Diana Shipping	DSX US	8.22	-1.0 %	1 %	16 %	-29 %	679	6.3	10.3	3.8	4.5	0 %	0 %	Neg.		
Genco Shipping	GNK US	8.61	-0.1 %	-4 %	25 %	-40 %	310	12.6	na	7.1	8.9	0 %	0 %	82 %		
Navios M Holding	NM US	3.68	-1.3 %	1 %	21 %	-30 %	374	6.8	6.9	5.8	5.4	7 %	7 %	75 %		
Excel Maritime	EXM US	2.35	-4.5 %	-6 %	24 %	-58 %	201	na	na	8.0	11.4	0 %	0 %	83 %		
Eagle Bulk	EGLE US	1.41	-2.8 %	-1 %	4 %	-72 %	88	na	na	11.2	9.3	0 %	0 %	93 %		
Safe Bulkers	SB US	6.76	0.4 %	4 %	19 %	-24 %	479	4.5	4.5	6.8	6.3	9 %	9 %	47 %		
Korea Line	005880 KS	7,500	0.0 %	0 %	-17 %	-71 %	109	na	na	na	na	na	na	na		
STX Pan Ocean	STX SP	8.09	0.0 %	-2 %	-3 %	-38 %	1,309	na	na	na	19.2	0 %	0 %	65 %		
Nippon Yusen	9101 JP	191	0.5 %	-2 %	1 %	-47 %	4,163	na	14.7	10.1	8.8	2 %	2 %	73 %		
Pacific Basin	2343 HK	3.54	-1.9 %	-2 %	13 %	-32 %	882	na	15.2	7.2	6.9	2 %	2 %	20 %		
Belships	BEL NO	6.00	0.0 %	0 %	0 %	-17 %	27	na	na	na	na	na	na	na		
China Cosco	1919 HK	4.09	-0.5 %	8 %	29 %	-50 %	9,616	na	na	na	na	0 %	0 %	30 %		
D/S Nordco	DNORD DC	151	-0.7 %	-1 %	-1 %	-26 %	1,195	12.2	16.4	5.2	5.0	4 %	4 %	Neg.		
Market cap weighted average			-0.4 %	3.3 %	15.9 %	-44.5 %		7.7	11.7	7.9	8.5	1 %	1 %			

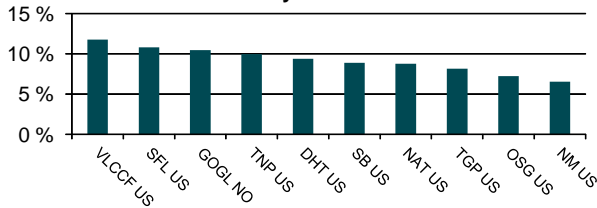
Tankers

Company	Ticker	(Local curr)	Performance				(mUSD)	P/E			EV/EBITDA			Yield		Gearing
			Last	1d	1w	1m		YTD	M cap	11	12	11	12	11	12	
Frontline	FRO NO	26	-2.2 %	-4 %	2 %	-83 %	359	na	na	12.2	11.2	3 %	2 %	86 %		
Ship Finance	SFL US	14.44	0.0 %	4 %	22 %	-33 %	1,143	8.7	8.8	14.2	12.7	11 %	11 %	63 %		
Euronav	EURN BB	3.18	-1.9 %	2 %	-22 %	-75 %	226	na	na	9.7	11.4	0 %	0 %	85 %		
General Maritime	GMR US	0.19	2.7 %	-18 %	12 %	-94 %	23	na	na	na	na	0 %	0 %	98 %		
Teekay	TK US	26.12	-0.2 %	4 %	22 %	-21 %	1,828	na	na	10.4	8.4	5 %	5 %	73 %		
Overseas	OSG US	12.18	-3.5 %	-7 %	-2 %	-66 %	371	na	na	na	15.7	11 %	7 %	85 %		
NAT	NAT US	13.69	-3.5 %	-2 %	9 %	-47 %	647	na	na	na	16.6	9 %	9 %	19 %		
Tsakos Energy	TNP US	6.02	1.3 %	1 %	11 %	-40 %	278	na	na	13.9	9.5	10 %	10 %	83 %		
Saga Tankers	SAGA NO	1.45	11.5 %	0 %	-24 %	-74 %	22	na	na	3.4	6.7	0 %	0 %	60 %		
Knightsbridge	VLCCF US	16.97	-2.2 %	1 %	7 %	-24 %	415	12.2	12.2	7.9	7.8	12 %	12 %	17 %		
DHT Holdings	DHT US	1	-5.9 %	-16 %	-25 %	-72 %	80	5.3	16.0	6.2	6.9	20 %	9 %	75 %		
Odfjell	ODF NO	36.50	3.1 %	4 %	12 %	-32 %	563	na	na	10.5	8.2	3 %	3 %	67 %		
TORM A/S	TORM DC	5.60	-6.4 %	-7 %	-9 %	-86 %	75	na	na	na	11.7	0 %	0 %	96 %		
Stolt-Nielsen	SNI NO	105.00	4.0 %	0 %	-2 %	-26 %	1,199	11.9	8.3	8.3	7.1	5 %	5 %	55 %		
Eitzen Chemical	ECHEM NO	0.18	-21.7 %	-10 %	6 %	-90 %	36	na	na	na	na	0 %	0 %	96 %		
Scorpio Tankers	STNG US	5.97	-2.9 %	2 %	17 %	-41 %	108	na	na	14.2	15.0	0 %	0 %	50 %		
D'Amico	DIS IM	0.55	-1.3 %	0 %	-7 %	-43 %	114	na	12.9	12.2	6.2	0 %	1 %	73 %		
Market cap weighted average			-0.1 %	1.0 %	9.9 %	-37.0 %		10.5	9.4	10.8	10.2	7 %	6 %			

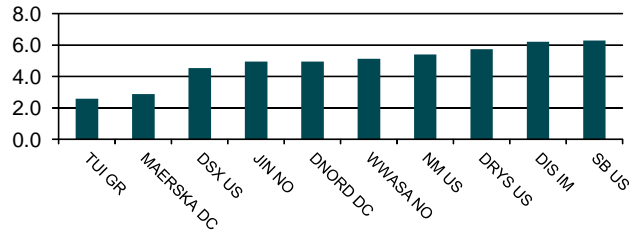
Other

Company	Ticker	(Local curr)	Performance				(mUSD)	P/E			EV/EBITDA			Yield		Gearing
			Last	1d	1w	1m		YTD	M cap	11	12	11	12	11	12	
Golar LNG	GOL NO	225.50	-0.7 %	2 %	21 %	153 %	3,205	na	19.3	na	13.8	3 %	3 %	22 %		
Golar LNG Partners	GMLP US	28.44	0.1 %	0 %	17 %	na	1,111	19.2	15.2	13.0	10.6	5 %	6 %	35 %		
Höegh LNG Holdings	HLNG NO	40.30	-0.2 %	3 %	1 %	na	325	na	na	na	na	0 %	0 %	49 %		
IM Skaugen	IMSK NO	28.20	0.0 %	-6 %	-2 %	-24 %	136	na	16.2	18.8	9.9	0 %	0 %	50 %		
Exmar SA	EXM BB	5.44	2.1 %	5 %	33 %	1 %	445	na	10.7	10.9	8.2	5 %	3 %	67 %		
Teekay LNG	TGP US	33	-0.5 %	-4 %	2 %	-13 %	2,142	18.2	15.4	13.5	11.5	8 %	8 %	42 %		
StealthGas	GASS US	4.11	0.2 %	1 %	7 %	-48 %	87	6.2	5.0	na	na	na	na	na		
A P Moller Maersk	MAERSKA DC	32,520.00	-2.4 %	-3 %	3 %	-34 %	27,149	10.5	9.8	2.8	2.9	3 %	3 %	35 %		
TUI AG	TUI GR	4.40	-1.7 %	4 %	0 %	-58 %	1,522	11.9	8.0	3.0	2.6	0 %	0 %	62 %		
Evergreen Marine	EVGZF US	16.60	-1.8 %	-1 %	9 %	-40 %	1,915	na	na	19.9	10.7	0 %	1 %	29 %		
Sinoceanic Shipping	SINO NO	6	-3.3 %	5 %	-16 %	-27 %	15	na	na	na	na	na	na	na		
Hanjin Shipping	000700 KS	8,350	0.0 %	-2 %	16 %	-55 %	327	na	na	na	na	na	na	na		
K-Line	9107 JP	148.00	-1.3 %	-6 %	3 %	-59 %	1,452	na	na	na	14.2	0 %	0 %	80 %		
CSC	2866 HK	1.51	0.0 %	7 %	18 %	-56 %	5,707	na	na	na	na	0 %	0 %	19 %		
Orient Overseas	316 HK	36.45	1.8 %	1 %	15 %	-40 %	2,936	15.3	12.3	7.1	6.3	2 %	2 %	16 %		
Neptune Orient Lines	NOL SP	1.09	-0.9 %	1 %	-3 %	-50 %	2,215	na	na	na	10.3	0 %	0 %	35 %		
With Wilhelmsen ASA	WWASA NO	31	-1.6 %	3 %	16 %	-28 %	1,195	8.2	5.6	6.4	5.1	3 %	4 %	51 %		
Market cap weighted average			-1.4 %	-0.5 %	7.3 %	-26.0 %		11.6	11.0	5.2	5.6	2 %	3 %			

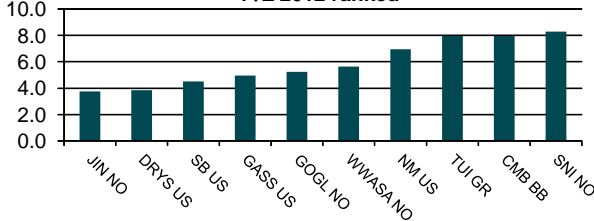
Dividend yield 2012 ranked



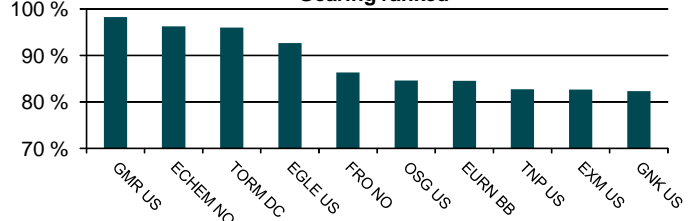
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS



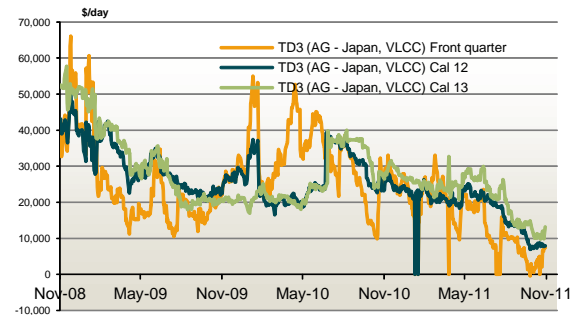
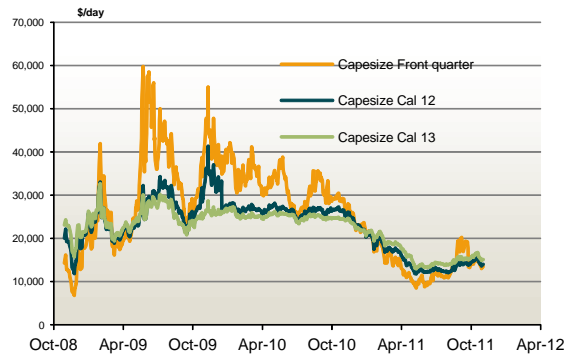
Currencies

	Today	Previous	Change
EURUSD	1.3768	1.3776	-0.1 %
EURJPY	107.42	107.53	-0.1 %
USDJPY	78.02	78.05	0.0 %
USDKRW	1,121.1	1,116.9	0.4 %
USDCNY	6.3465	6.351	-0.1 %
USDNOK	5.6199	5.6029	0.3 %



FFAs

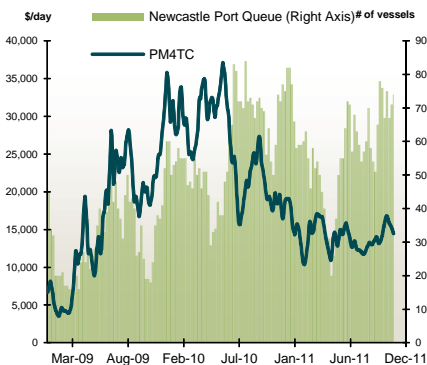
	Today	Previous	Change
Capesize Front quarter	13,475	13,167	2.3 %
Capesize Cal 12	14,002	13,742	1.9 %
Capesize Cal 13	15,108	14,958	1.0 %
	(\$/day)	(\$/day)	
Panamax Front quarter	11,250	11,246	0.0 %
Panamax Cal 12	11,395	11,387	0.1 %
Panamax Cal 13	12,000	12,000	0.0 %
Supramax Front quarter	11,500	11,579	-0.7 %
PM4TC Cal 12	11,662	11,684	-0.2 %
PM4TC Cal 13	12,058	12,187	-1.1 %
TD3 (AG - Japan, VLCC) Front quarter	7,378	7,326	0.7 %
TD3 (AG - Japan, VLCC) Cal 12	7,905	7,761	1.9 %
TD3 (AG - Japan, VLCC) Cal 13	13,186	9,912	33.0 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	11,205	11,151	0.5 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	10,919	10,636	2.7 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	15,526	16,016	-3.1 %
TC2 (ARA - USEC, MR) Front quarter	8,415	8,574	-1.9 %
TC2 (ARA - USEC, MR) Cal 12	8,545	8,693	-1.7 %
TC2 (ARA - USEC, MR) Cal 13	9,949	10,238	-2.8 %



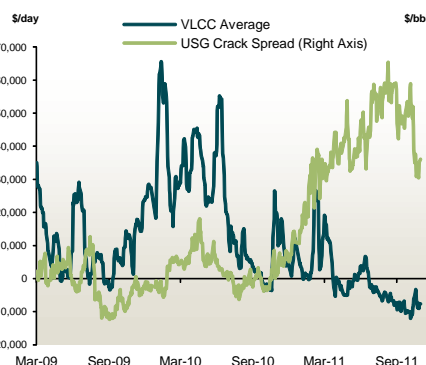
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

Selected Indicators

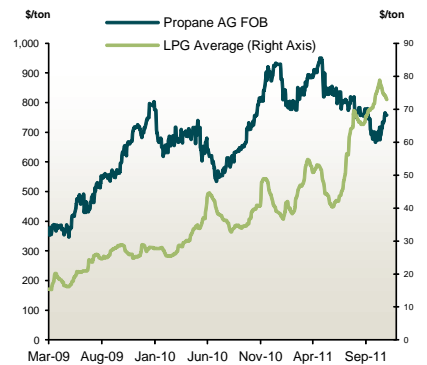
Dry Bulk



Tanker



Gas



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Lorentzen & Stemoco

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