



Lorentzen & Stemoco

Joint Shipping Service Morning Report



December 9, 2011

Dry Bulk Market

	Today	Previous	Change	Change YTD
Average TCEs				
Capesize (\$/day)	\$31,118	\$29,627	5.0 %	66.4 %
Panamax (\$/day)	\$13,518	\$13,472	0.3 %	-5.5 %
Supramax (\$/day)	\$13,051	\$13,366	-2.4 %	-12.2 %
BDI	1,882	1,849	1.8 %	11.2 %
Dry Commodities				
India Iron Ore China Landed 63% Fe (\$/ton)	\$141	\$141	0.0 %	-19.9 %
China Average HR Sheet (\$/ton)	\$664	\$666	-0.3 %	-4.7 %
Amsterdam Coal API#2 (\$/ton)	\$112.35	\$112.10	0.2 %	-10.8 %
Red Hard Wheat KCBT (\$/bushel)	\$6.34	\$6.36	-0.3 %	-17.4 %

China produced a total of 70.1 million tonnes of finished steel products in November, up 7.8 percent from a year earlier, data from the National Bureau of Statistics showed on Friday. China is the world's largest steel producer, producing around half of the world's steel output

Tanker Market

	Today	Previous	Change	Change YTD
Average TCEs				
VLCC TD3 MEG-Japan (\$/day)	\$12,955	\$12,614	2.7 %	-20.1 %
Suez Average (\$/day)	\$14,859	\$13,509	10.0 %	-30.3 %
Aframax Average (\$/day)	\$12,260	\$4,803	155.3 %	29.9 %
MR Average (\$/day)	\$10,316	\$10,384	-0.7 %	-0.9 %
Oil Commodities				
Brent Front Month (\$/bbl)	\$107.53	\$108.11	-0.5 %	13.4 %
WTI Front Month (\$/bbl)	\$98.34	\$100.49	-2.1 %	6.9 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0.13	-\$0.17	23.5 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	-\$3.63	-\$1.85	-\$1.8	-

Petrobras is importing more gasoline than ever to keep Brazilian filling stations from running dry, its supply director told Reuters, a far cry from 2009 when the state-run oil company was a net exporter of the fuel. Petrobras, which exported 100,000 barrels per day (bpd) two years ago, has been active this month in the European and U.S. Gulf coast fuel markets, buying a record 70,000 barrels per day, Supply Director Paulo Roberto Costa told Reuters on Thursday

Gas Market

	Today	Previous	Change	Change YTD
Freight Rates				
LPG Average (\$/ton)	55.88	57.25	-2.4 %	45.9 %
Gas Commodities				
Propane AG Spot (\$/ton)	791.00	794.00	-0.4 %	-13.4 %
Butane AG Spot (\$/ton)	831.00	834.00	-0.4 %	-7.5 %
Natural Gas (\$/MMBTU)	3.41	3.44	-0.9 %	-24.9 %
Bunkers				
380 cSt Fujairah	686.50	694.50	-1.2 %	32.1 %
380 cSt Rotterdam	638.50	639.00	-0.1 %	29.5 %
380 cSt Houston	640.00	645.00	-0.8 %	28.1 %

Natural gas will replace coal as the leading fuel for generating electricity in the U.S. by 2025, when it will also become the world's No. 2 overall fuel source thanks to its abundance and a drive for cleaner-burning energy, according to the latest long-term outlook from Exxon Mobil Corp. The closely watched study, released yesterday, forecasts that global energy demand will grow about 30% by 2040 as the world population climbs to nine billion from seven billion. Natural gas will overtake coal as the second-largest fuel source overall, ranking behind oil

Source: Bloomberg / Lorentzen & Stemoco AS

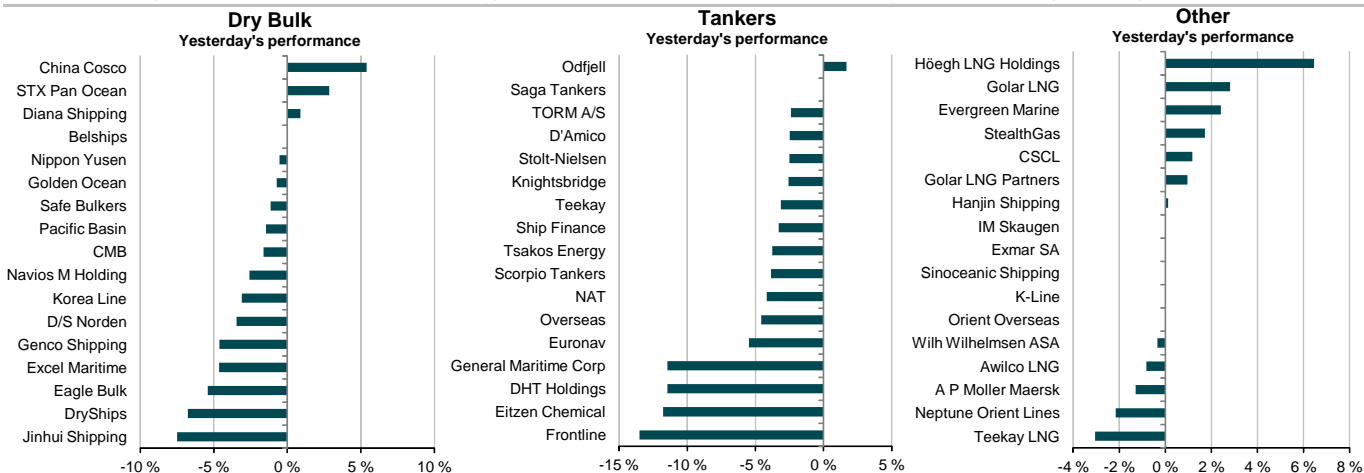
Shipping Equities

Selected news:

Scorpio Tankers (Buy, tp \$9/share) has closed its equity issue announced last week. The product tanker specialist has sold 7m shares at a price of \$5.5/share, resulting in net proceeds of around \$36.4m, according to filing as of Wednesday. STNG will ultimately use the proceeds to fund a pair of MR2 newbuildings to be constructed at Hyundai Mipo in Korea. The company already has five similar vessels on order at the same yard.

Rongsheng Heavy Industries yesterday announced it had secured an order for 10 firm Suezmaxes and options for another 10 units. The order is reported to be Global Union Shipping, however no further details were given regarding the contractor. The price is not disclosed, however the ships are scheduled to hit the water in 2013 and 2014. Rongsheng has built 30 Suezmaxes in the past.

Tradewinds reports that Diana Shipping may take over a pair of containerhips from Hamburg Süd that were in the process of being sold to Euromar. The 3,379-teu Cap San Lorenzo and Cap San Augustin (built 2001) will probably change hands for around \$33.5m, a level that is in line with the industry average. Rates will be at the same levels as the failed deal with Euromar. Hamburg Süd is reportedly looking for bigger vessels as a replacement and will charter the units back for around \$22,500/day for three years.



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



Lorentzen & Stemoco

Shipping Equities



Dry bulk

Company	Ticker	(Local curr) Last	Performance				(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing	
			1d	1w	1m	YTD		11	12	11	12	11	12	Net debt/EV	
Golden Ocean	GOGL NO	4.11	-0.7 %	-1 %	-5 %	-49 %	324	4.9	4.6	7.0	6.6	8 %	6 %	62 %	
Jinhui Shipping	JIN NO	10.50	-7.5 %	-9 %	-11 %	-46 %	152	1.5	3.2	3.6	4.7	0 %	0 %	70 %	
CMB	CMB BB	15.89	-1.6 %	1 %	-3 %	-31 %	740	7.2	7.9	7.6	7.6	6 %	6 %	53 %	
DryShips	DRYS US	2.34	-6.8 %	-3 %	-22 %	-56 %	958	5.3	3.5	8.3	5.6	0 %	0 %	80 %	
Diana Shipping	DSX US	7.94	0.9 %	4 %	-5 %	-31 %	656	6.1	10.6	3.7	4.5	0 %	0 %	Neg.	
Genco Shipping	GNK US	7.43	-4.6 %	-2 %	-15 %	-48 %	267	10.2	na	7.0	8.8	0 %	0 %	84 %	
Navios M Holding	NM US	3.79	-2.6 %	-3 %	0 %	-28 %	385	6.5	6.9	5.8	5.5	6 %	6 %	74 %	
Excel Maritime	EXM US	1.85	-4.6 %	-6 %	-22 %	-67 %	158	na	na	7.7	10.9	0 %	0 %	86 %	
Eagle Bulk	EGLE US	1.05	-5.4 %	-11 %	-23 %	-79 %	66	na	na	11.2	9.2	0 %	0 %	94 %	
Safe Bulkers	SB US	6.13	-1.1 %	0 %	-11 %	-31 %	435	4.1	4.1	6.5	6.0	10 %	10 %	50 %	
Korea Line	005880 KS	29,850	-3.1 %	-5 %	-29 %	-80 %	349	na	na	na	na	na	na	na	
STX Pan Ocean	STX SP	7.20	2.9 %	1 %	-11 %	-45 %	1,143	na	na	na	na	0 %	0 %	69 %	
Nippon Yusen	9101 JP	191	-0.5 %	6 %	4 %	-47 %	4,190	na	na	12.8	9.3	2 %	2 %	73 %	
Pacific Basin	2343 HK	3.41	-1.4 %	-2 %	-6 %	-34 %	850	na	14.6	7.0	6.6	2 %	3 %	20 %	
Belships	BEL NO	5.51	0.0 %	-3 %	-5 %	-24 %	24	na	na	na	na	na	na	na	
China Cosco	1919 HK	4.11	5.4 %	14 %	1 %	-50 %	8,699	na	na	na	na	0 %	0 %	33 %	
D/S Nordco	DNORD DC	140	-3.5 %	-5 %	-8 %	-31 %	1,076	11.6	14.7	4.8	4.8	4 %	3 %	Neg.	
Market cap weighted average			1.4 %	6.5 %	-2.5 %	-46.3 %		7.1	9.1	9.0	7.4	1 %	1 %		

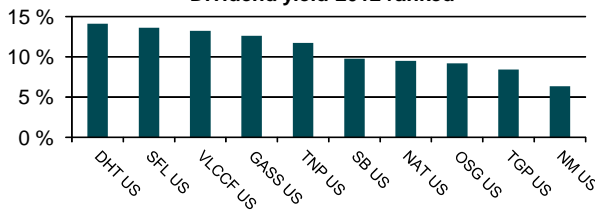
Tankers

Company	Ticker	(Local curr) Last	Performance				(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing	
			1d	1w	1m	YTD		11	12	11	12	11	12	Net debt/EV	
Frontline	FRO NO	19	-13.5 %	7 %	-28 %	-87 %	257	na	na	12.2	14.8	4 %	0 %	90 %	
Ship Finance	SFL US	11.46	-3.3 %	10 %	-22 %	-47 %	907	6.9	7.3	13.5	12.3	14 %	14 %	68 %	
Euronav	EURN BB	3.46	-5.5 %	6 %	8 %	-73 %	238	na	na	9.7	11.5	0 %	0 %	84 %	
General Maritime Corp	GMRRQ US	0.02	-11.5 %	-9 %	-89 %	-99 %	2	na	na	na	na	0 %	0 %	100 %	
Teekay	TK US	26.54	-3.1 %	-3 %	-2 %	-20 %	1,858	na	na	10.6	8.6	5 %	5 %	73 %	
Overseas	OSG US	9.59	-4.6 %	-4 %	-22 %	-73 %	292	na	na	na	15.5	14 %	9 %	87 %	
NAT	NAT US	12.63	-4.2 %	6 %	-9 %	-51 %	597	na	na	na	17.9	10 %	10 %	24 %	
Tsakos Energy	TNP US	5.12	-3.8 %	0 %	-17 %	-49 %	236	na	na	15.1	12.7	12 %	12 %	85 %	
Saga Tankers	SAGA NO	1.55	0.0 %	-5 %	7 %	-72 %	23	na	na	5.2	5.6	0 %	0 %	21 %	
Knightsbridge	VLCFF US	15.12	-2.6 %	-3 %	-15 %	-32 %	369	11.0	12.1	7.3	7.3	13 %	13 %	19 %	
DHT Holdings	DHT US	1	-11.5 %	6 %	-34 %	-82 %	53	3.7	10.6	5.6	6.3	31 %	14 %	82 %	
Odfjell	ODF NO	36.50	1.7 %	4 %	1 %	-32 %	541	na	na	9.9	7.4	3 %	3 %	66 %	
TORM A/S	TORM DC	4.31	-2.4 %	21 %	-21 %	-89 %	56	na	na	na	na	0 %	0 %	97 %	
Stolt-Nielsen	SNI NO	116.50	-2.5 %	3 %	9 %	-18 %	1,290	12.7	10.1	8.4	7.2	5 %	5 %	53 %	
Eitzen Chemical	ECHEM NO	0.15	-11.8 %	-12 %	-21 %	-92 %	29	na	na	na	na	0 %	0 %	97 %	
Scorpio Tankers	STNG US	5.00	-3.8 %	-6 %	-21 %	-51 %	90	na	na	16.8	14.7	0 %	0 %	54 %	
D'Amico	DIS IM	0.43	-2.5 %	-4 %	-22 %	-56 %	86	na	6.5	10.7	5.8	0 %	2 %	76 %	
Market cap weighted average			-3.4 %	1.9 %	-6.4 %	-37.3 %		10.3	9.3	10.6	10.3	7 %	7 %		

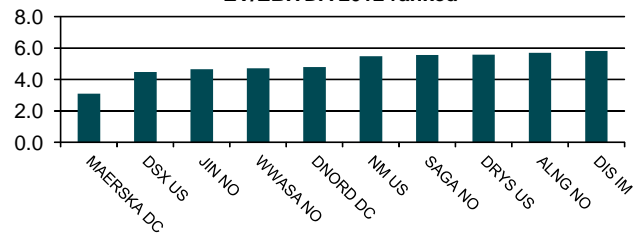
Other

Company	Ticker	(Local curr) Last	Performance				(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing	
			1d	1w	1m	YTD		11	12	11	12	11	12	Net debt/EV	
Golar LNG	GOL NO	256.00	2.8 %	1 %	16 %	187 %	3,527	na	na	na	14.4	3 %	3 %	21 %	
Golar LNG Partners	GMLP US	29.67	1.0 %	1 %	4 %	na	1,159	na	15.2	14.4	11.4	5 %	6 %	39 %	
Höegh LNG Holdings	HLNG NO	49.50	6.5 %	12 %	22 %	na	387	na	na	na	na	0 %	0 %	47 %	
IM Skaugen	IMSK NO	30.00	0.0 %	0 %	5 %	-19 %	140	na	16.7	19.1	10.0	0 %	0 %	50 %	
Exmar SA	EXM BB	5.46	0.0 %	-1 %	1 %	1 %	432	na	9.7	12.0	8.3	5 %	3 %	67 %	
Teekay LNG	TGP US	32	-3.0 %	-3 %	-3 %	-15 %	2,083	17.9	14.9	13.3	11.5	8 %	8 %	43 %	
StealthGas	GASS US	3.97	1.7 %	0 %	-3 %	-50 %	84	6.0	4.5	7.4	6.6	0 %	13 %	na	
Awilco LNG	ALNG NO	24.00	-0.8 %	4 %	14 %	na	281	na	7.9	na	5.7	0 %	0 %	Neg.	
A P Moller Maersk	MAERSKA DC	35,000.00	-1.3 %	-4 %	6 %	-29 %	28,242	12.3	11.2	3.1	3.1	3 %	3 %	35 %	
Evergreen Marine	EVGFZ US	14.90	2.4 %	1 %	-8 %	-46 %	1,716	na	na	na	13.2	0 %	0 %	32 %	
Sinocean Shipping	SINO NO	4	0.0 %	-16 %	-38 %	-53 %	9	na	na	na	na	na	na	na	
Hanjin Shipping	000700 KS	8,030	0.1 %	0 %	-3 %	-57 %	311	na	na	na	na	na	na	na	
K-Line	9107 JP	147.00	0.0 %	7 %	4 %	-59 %	1,452	na	na	na	14.7	0 %	0 %	80 %	
CSC	2866 HK	1.72	1.2 %	3 %	16 %	-50 %	5,575	na	na	na	na	0 %	0 %	21 %	
Orient Overseas	316 HK	39.15	0.0 %	5 %	9 %	-36 %	3,152	na	16.7	9.2	8.0	1 %	2 %	17 %	
Neptune Orient Lines	NOL SP	1.14	-2.2 %	4 %	4 %	-48 %	2,262	na	na	na	12.7	0 %	0 %	36 %	
With Wilhelmsen ASA	WWASA NO	29	-0.3 %	0 %	-10 %	-31 %	1,117	7.6	5.2	5.5	4.7	3 %	4 %	51 %	
Market cap weighted average			-0.5 %	-0.9 %	6.5 %	-18.1 %		12.5	11.8	4.8	6.3	2 %	2 %		

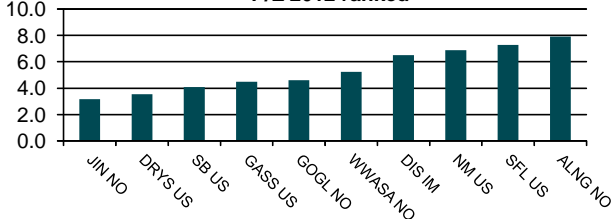
Dividend yield 2012 ranked



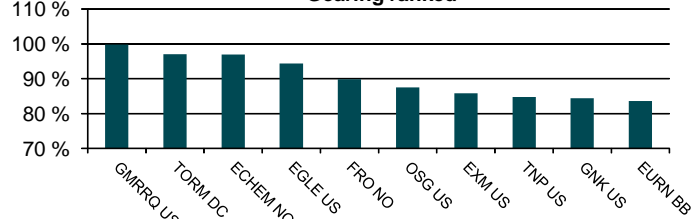
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS



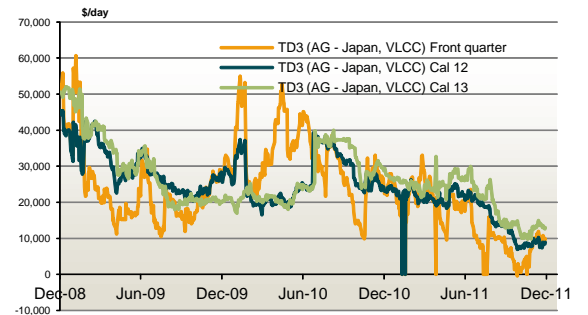
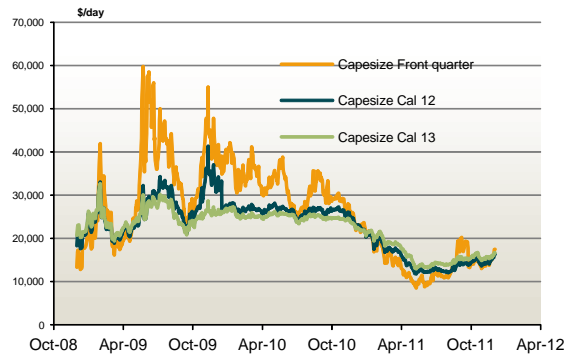
Currencies

	Today	Previous	Change
EURUSD	1.3321	1.3341	-0.1 %
EURJPY	103.47	103.57	-0.1 %
USDJPY	77.67	77.64	0.0 %
USDKRW	1,146.8	1,131.4	1.4 %
USDCNY	6.3653	6.3629	0.0 %
USDNOK	5.7932	5.7888	0.1 %



FFAs

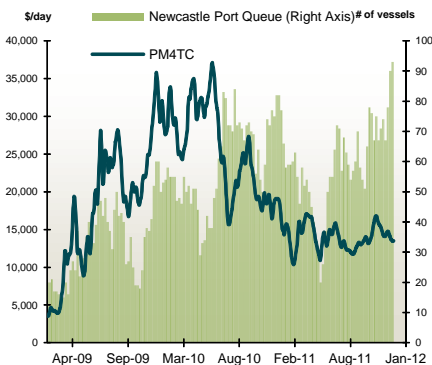
	Today	Previous	Change
Capesize Front quarter	17,492	17,450	0.2 %
Capesize Cal 12	16,359	16,364	0.0 %
Capesize Cal 13	16,696	16,692	0.0 %
	(\$/day)	(\$/day)	
Panamax Front quarter	11,743	11,675	0.6 %
Panamax Cal 12	11,445	11,421	0.2 %
Panamax Cal 13	11,764	11,750	0.1 %
Supramax Front quarter	11,205	11,333	-1.1 %
PM4TC Cal 12	11,092	11,148	-0.5 %
PM4TC Cal 13	11,358	11,338	0.2 %
TD3 (AG - Japan, VLCC) Front quarter	9,881	9,478	4.3 %
TD3 (AG - Japan, VLCC) Cal 12	8,866	8,454	4.9 %
TD3 (AG - Japan, VLCC) Cal 13	13,012	12,588	3.4 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	15,143	14,888	1.7 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	12,414	12,175	2.0 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	15,594	15,357	1.5 %
TC2 (ARA - USEC, MR) Front quarter	9,754	9,542	2.2 %
TC2 (ARA - USEC, MR) Cal 12	9,401	9,181	2.4 %
TC2 (ARA - USEC, MR) Cal 13	9,928	9,799	1.3 %



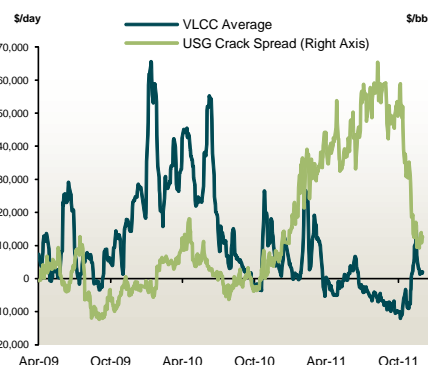
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

Selected Indicators

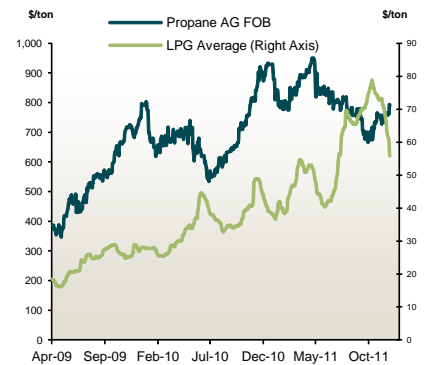
Dry Bulk



Tanker



Gas



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