



Lorentzen & Stemoco

Joint Shipping Service Morning Report



October 12, 2011

Dry Bulk Market

	Today	Previous	Change	Change YTD
Average TCEs				
Capesize (\$/day)	\$30,566	\$28,483	7.3 %	63.5 %
Panamax (\$/day)	\$15,882	\$15,561	2.1 %	11.0 %
Supramax (\$/day)	\$16,251	\$16,150	0.6 %	9.4 %
BDI	2,106	2,032	3.6 %	24.4 %
Dry Commodities				
India Iron Ore China Landed 63% Fe (\$/ton)	\$175	\$175	0.0 %	-0.3 %
China Average HR Sheet (\$/ton)	\$720	\$724	-0.6 %	3.3 %
Amsterdam Coal API#2 (\$/ton)	\$119.65	\$119.85	-0.2 %	-5.0 %
Red Hard Wheat KCBT (\$/bushel)	\$6.95	\$6.51	6.8 %	-12.9 %

Rio Tinto's chief executive said on Tuesday he did not foresee a significant change in China's demand for iron ore despite investor concerns about slowing steel demand in the country and weak developed economies, writes Reuters. Index-based spot prices slid to more than six-month troughs on Monday, after dropping about 5 percent in September, spurred by signs of slowing Chinese steel demand and uncertainty about the fate of the global economy

Tanker Market

	Today	Previous	Change	Change YTD
Average TCEs				
VLCC TD3 MEG-Japan (\$/day)	-\$5,041	-\$5,974	15.6 %	-131.1 %
Suez Average (\$/day)	\$43,837	\$32,791	33.7 %	105.7 %
Aframax Average (\$/day)	\$10,159	\$9,412	7.9 %	7.7 %
MR Average (\$/day)	\$9,860	\$9,825	0.4 %	-5.3 %
Oil Commodities				
Brent Front Month (\$/bbl)	\$110.85	\$110.73	0.1 %	16.9 %
WTI Front Month (\$/bbl)	\$85.81	\$85.41	0.5 %	-6.6 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$2.73	-\$2.68	-1.9 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	\$39.46	\$17.89	\$21.6	-

Production from a Libyan oil field will restart within days and the country should be able to pump 1 million barrels per day (bpd) within a year, the interim oil and finance minister said on Tuesday. In an interview with Reuters, Ali Tarhouni said he had received a phone call the previous evening saying the huge El Sharara oil field operated by Spanish firm Repsol was ready to restart and he expected it to resume pumping within days. It produces 200,000 bpd

Gas Market

	Today	Previous	Change	Change YTD
Freight Rates				
LPG Average (\$/ton)	76	75.44	0.7 %	98.4 %
Gas Commodities				
Propane AG Spot (\$/ton)	673.50	686.50	-1.9 %	-26.2 %
Butane AG Spot (\$/ton)	738.50	744.50	-0.8 %	-17.8 %
Natural Gas (\$/MMBTU)	3.52	3.40	3.5 %	-22.5 %
Bunkers				
380 cSt Fujairah	650.50	647.50	0.5 %	25.2 %
380 cSt Rotterdam	611.50	613.00	-0.2 %	24.0 %
380 cSt Houston	627.50	617.00	1.7 %	25.6 %

South Korea's liquefied natural gas (LNG) inventory stood at over 3 million tonnes as of Tuesday, and the world's second-largest LNG importer plans to build nearly 3.5 million tonnes of inventory by mid-November for winter demand, a government source told LNG World News. Earlier, state-run Korea Gas Corp (KOGAS) said it had sold gas equivalent to 1.95 million tonnes of LNG domestically in September, up 15.8 percent from a year earlier and led by strong demand for power generation. The amount was equivalent to 86.3 billion cubic feet of natural gas

Source: Bloomberg / Lorentzen & Stemoco AS

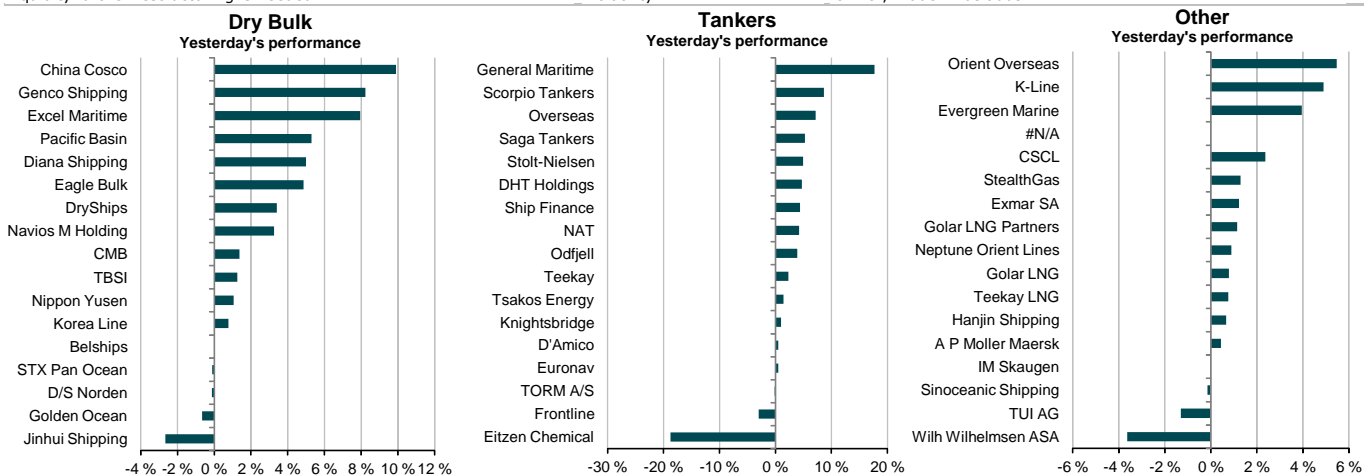
Shipping Equities

Selected news:

According to brokers' reports, General Maritime (Reduce, tp USD 0.05/share) has offloaded one of its older Aframax crude tankers to Eurotankers of Greece. The 96,700-dwt, 1994 built, Genmar Revenge is believed to have changed hands for \$9.1m which is just above its scrap value. Sale of assets is one of the measures the company indicated it could make in order to strengthen its liquidity and financial position, however with a significantly negative cash flow and already stressed liquidity further restructuring is needed.

Credit ratings agency Fitch says that a public offering of Sovcomflot shares is the best way to improve SCF's balance sheet and credit rating. SCF has postponed its IPO from 2011 to the second quarter of 2012 due to financial markets volatility

According to Tradewinds, German travel group TUI looks set to hold on to its shares in container giant Hapag-Lloyd. TUI controls 38.4% of the boxship company and has a put option on its shares that becomes valid in January. The put entitles TUI to offer 33% of Hapag-Lloyd to the Albert Ballin consortium, however differences on future strategy with the Ballin group makes it unlikely that the option will be declared. Instead, TUI has the right to acquire some of Ballin's holding, making it the majority owner, Tradewinds adds.



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



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	4.25	-0.7 %	6 %	-5 %	-48 %	340	5.5	5.3	7.6	7.1	13 %	11 %	63 %	
Jinhui Shipping	JIN NO	11.00	-2.7 %	8 %	-9 %	-44 %	162	1.6	3.4	3.5	4.7	0 %	0 %	69 %	
CMB	CMB BB	16.89	1.4 %	2 %	-2 %	-27 %	806	8.0	8.9	8.1	7.5	6 %	6 %	53 %	
DryShips	DRYS US	2.43	3.4 %	16 %	-14 %	-54 %	992	5.2	3.5	8.1	5.5	0 %	0 %	79 %	
Diana Shipping	DSX US	7.98	5.0 %	11 %	-7 %	-31 %	654	6.1	10.0	3.8	4.3	0 %	0 %	Neg.	
Genco Shipping	GNK US	8.41	8.2 %	27 %	8 %	-42 %	302	15.9	na	7.4	9.0	0 %	0 %	83 %	
Navios M Holding	NM US	3.17	3.3 %	4 %	-8 %	-40 %	322	5.5	5.8	5.7	5.2	8 %	8 %	77 %	
Excel Maritime	EXM US	2.31	7.9 %	20 %	23 %	-59 %	198	na	na	7.6	10.4	0 %	0 %	83 %	
Eagle Bulk	EGLE US	1.51	4.9 %	14 %	-17 %	-70 %	95	na	na	11.2	9.4	0 %	0 %	92 %	
TBSI	TBSI US	0.80	1.3 %	-2 %	-11 %	-72 %	25	na	na	na	na	0 %	0 %	na	
Korea Line	005880 KS	9,200	0.8 %	8 %	8 %	-65 %	128	na	na	na	na	na	na	na	
STX Pan Ocean	STX SP	8.49	-0.1 %	3 %	-6 %	-35 %	1,362	na	na	na	18.2	0 %	0 %	64 %	
Nippon Yusen	9101 JP	192	1.1 %	2 %	-14 %	-47 %	4,257	na	11.3	9.7	7.6	2 %	2 %	73 %	
Pacific Basin	2343 HK	3.38	5.3 %	13 %	-6 %	-35 %	841	na	16.8	7.0	6.7	2 %	2 %	20 %	
Belships	BEL NO	6.00	0.0 %	0 %	7 %	-17 %	26	na	na	na	na	na	na	na	
China Cosco	1919 HK	3.44	9.9 %	21 %	-12 %	-58 %	9,389	na	18.0	na	17.0	0 %	0 %	30 %	
D/S Nordco	DNORD DC	154	-0.1 %	2 %	3 %	-24 %	1,215	12.1	15.4	5.3	4.9	5 %	4 %	Neg.	
Market cap weighted average			5.4 %	12.6 %	-9.7 %	-48.5 %		8.1	14.3	7.9	12.1	1 %	1 %		

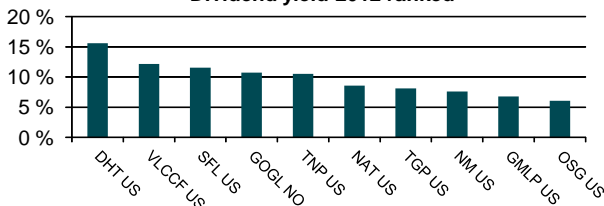
Tankers

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	27	-3.0 %	8 %	-18 %	-82 %	374	na	na	11.7	11.0	3 %	2 %	86 %	
Ship Finance	SFL US	13.50	4.4 %	10 %	-1 %	-37 %	1,068	8.2	8.2	13.8	12.3	12 %	12 %	65 %	
Euronav	EURN BB	4.13	0.5 %	-4 %	-23 %	-67 %	291	na	na	9.4	8.9	0 %	0 %	81 %	
General Maritime	GMR US	0.29	17.7 %	82 %	-19 %	-91 %	35	na	na	na	18.4	0 %	0 %	97 %	
Teekay	TK US	22.71	2.3 %	6 %	-12 %	-31 %	1,590	na	na	9.9	7.8	6 %	6 %	75 %	
Overseas	OSG US	14.50	7.2 %	6 %	-11 %	-59 %	442	na	na	na	11.1	9 %	6 %	82 %	
NAT	NAT US	14.01	4.2 %	8 %	-16 %	-46 %	662	na	na	na	14.3	8 %	9 %	17 %	
Tsakos Energy	TNP US	5.70	1.4 %	2 %	-2 %	-43 %	263	na	na	12.5	8.4	11 %	11 %	83 %	
Saga Tankers	SAGA NO	2.00	5.3 %	5 %	-7 %	-64 %	30	na	na	5.3	5.7	0 %	0 %	68 %	
Knightsbridge	VLCCF US	16.49	1.0 %	-1 %	1 %	-26 %	403	11.3	11.1	7.7	7.4	12 %	12 %	17 %	
DHT Holdings	DHT US	2	4.7 %	-1 %	-30 %	-62 %	111	7.4	16.2	6.6	6.6	20 %	16 %	69 %	
Odfjell	ODF NO	34.50	3.9 %	5 %	-4 %	-36 %	524	na	na	9.2	7.8	0 %	4 %	69 %	
TORM A/S	TORM DC	6.25	-0.2 %	-7 %	-31 %	-84 %	83	na	na	na	11.7	0 %	0 %	96 %	
Stolt-Nielsen	SNI NO	117.00	4.9 %	10 %	-2 %	-18 %	1,317	13.3	8.3	8.7	7.1	5 %	5 %	52 %	
Eitzen Chemical	ECHEM NO	0.13	-18.8 %	-19 %	-35 %	-93 %	26	na	na	na	19.6	0 %	0 %	97 %	
Scorpio Tankers	STNG US	5.91	8.6 %	6 %	1 %	-42 %	107	na	na	13.3	11.2	0 %	0 %	55 %	
D'Amico	DIS IM	0.62	0.5 %	6 %	0 %	-37 %	126	na	9.5	12.5	6.9	0 %	1 %	70 %	
Market cap weighted average			3.3 %	6.6 %	-8.2 %	-39.1 %		10.9	9.0	10.4	9.4	6 %	7 %		

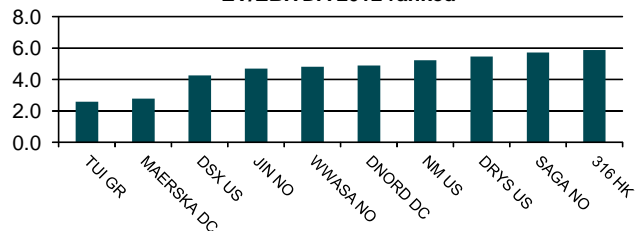
Other

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	191.50	0.8 %	8 %	10 %	115 %	2,681	na	15.7	18.7	12.4	3 %	3 %	25 %	
Golar LNG Partners	GMLP US	25.75	1.1 %	11 %	1 %	na	1,006	17.8	14.2	11.0	10.1	5 %	7 %	27 %	
Höegh LNG Holdings	HLNG NO	40.00	2.6 %	11 %	-11 %	na	318	na	na	na	na	0 %	0 %	na	
IM Skaugen	IMSK NO	28.90	0.0 %	2 %	1 %	-22 %	137	na	na	na	13.7	0 %	0 %	51 %	
Exmar SA	EXM BB	4.13	1.2 %	2 %	0 %	-23 %	335	na	8.7	8.3	6.8	6 %	5 %	72 %	
Teekay LNG	TGP US	33	0.8 %	6 %	2 %	-13 %	1,949	18.3	15.9	12.8	11.3	8 %	8 %	44 %	
StealthGas	GASS US	3.94	1.3 %	5 %	-6 %	-50 %	83	6.0	4.7	na	na	na	na	na	
A P Moller Maersk	MAERSKA DC	32,240.00	0.4 %	2 %	0 %	-34 %	26,659	9.5	8.4	2.7	2.8	3 %	3 %	35 %	
TUI AG	TUI GR	4.39	-1.3 %	14 %	8 %	-58 %	1,507	11.9	7.9	3.0	2.6	0 %	0 %	62 %	
Evergreen Marine	EVGZF US	15.80	3.9 %	7 %	0 %	-43 %	1,809	na	18.4	15.2	8.8	1 %	1 %	29 %	
Sinoceanic Shipping	SINO NO	7	-0.1 %	0 %	-13 %	-18 %	16	na	na	na	na	na	na	40 %	
Hanjin Shipping	000700 KS	7,570	0.7 %	10 %	-30 %	-59 %	285	na	na	na	na	na	na	50 %	
K-Line	9107 JP	150.00	4.9 %	6 %	-17 %	-58 %	1,497	na	15.4	18.5	8.3	0 %	1 %	79 %	
CSC	2866 HK	1.30	2.4 %	29 %	-22 %	-62 %	5,296	na	na	na	na	0 %	0 %	18 %	
Orient Overseas	316 HK	34.75	5.5 %	22 %	-6 %	-43 %	2,795	10.6	9.7	6.5	5.9	2 %	3 %	17 %	
Neptune Orient Lines	NOL SP	1.14	0.9 %	6 %	0 %	-48 %	2,297	na	na	15.4	8.0	0 %	0 %	31 %	
With Wilhelmsen ASA	WWASA NO	27	-3.6 %	8 %	-8 %	-38 %	1,023	6.9	5.0	5.8	4.8	4 %	4 %	55 %	
Market cap weighted average			1.1 %	7.8 %	-2.5 %	-31.3 %		10.4	10.1	6.5	4.9	2 %	3 %		

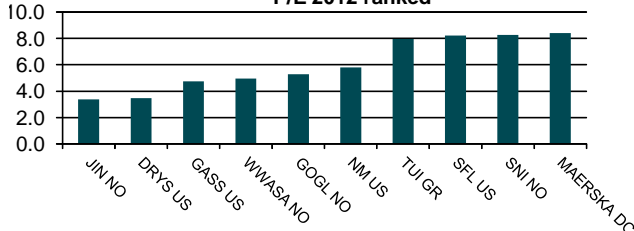
Dividend yield 2012 ranked



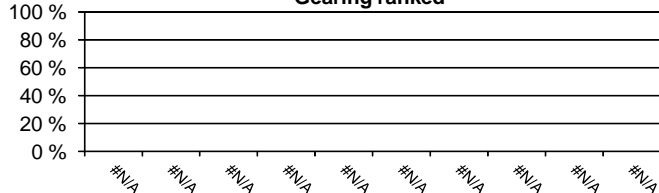
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked

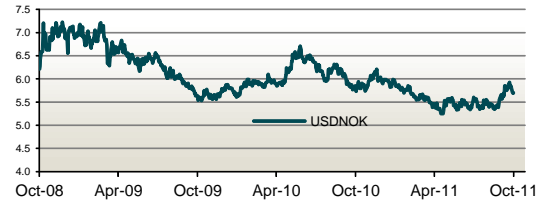


Source: JCF FactSet / First Securities AS



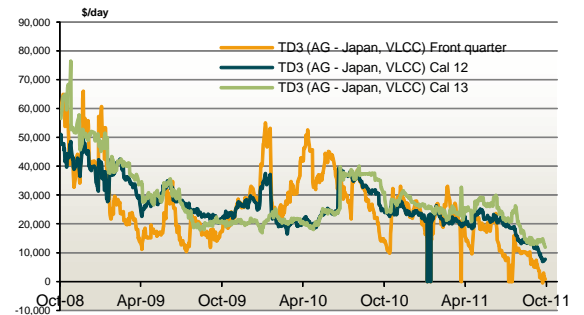
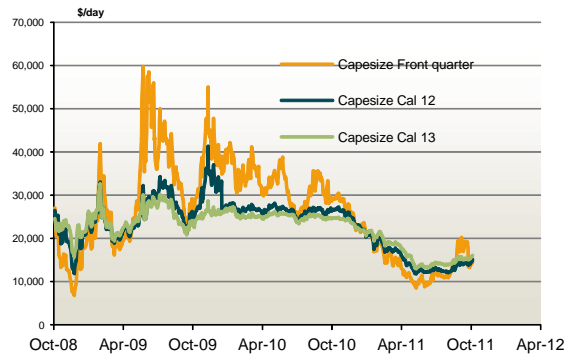
Currencies

	Today	Previous	Change
EURUSD	1.3648	1.364	0.1 %
EURJPY	104.64	104.55	0.1 %
USDJPY	76.67	76.65	0.0 %
USDKRW	1,166.9	1,164.5	0.2 %
USDCNY	6.3694	6.3755	-0.1 %
USDNOK	5.6978	5.6941	0.1 %



FFAs

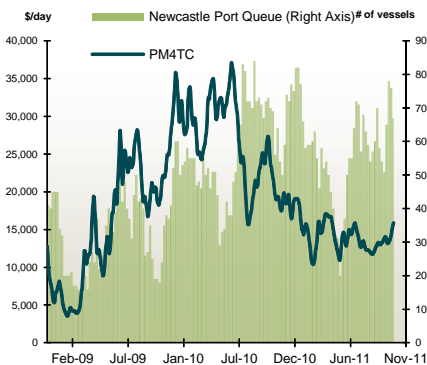
	Today	Previous	Change
Capesize Front quarter	14,617	14,310	2.1 %
Capesize Cal 12	15,142	14,770	2.5 %
Capesize Cal 13	16,125	15,880	1.5 %
	(\$/day)	(\$/day)	
Panamax Front quarter	12,257	12,043	1.8 %
Panamax Cal 12	12,225	12,064	1.3 %
Panamax Cal 13	12,707	12,596	0.9 %
Supramax Front quarter	13,160	12,992	1.3 %
PM4TC Cal 12	12,590	12,517	0.6 %
PM4TC Cal 13	12,860	12,729	1.0 %
TD3 (AG - Japan, VLCC) Front quarter	869	1,893	-54.1 %
TD3 (AG - Japan, VLCC) Cal 12	7,778	7,131	9.1 %
TD3 (AG - Japan, VLCC) Cal 13	11,946	13,078	-8.7 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	18,562	18,663	-0.5 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	12,028	12,189	-1.3 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	16,566	17,178	-3.6 %
TC2 (ARA - USEC, MR) Front quarter	8,064	7,784	3.6 %
TC2 (ARA - USEC, MR) Cal 12	8,818	8,976	-1.8 %
TC2 (ARA - USEC, MR) Cal 13	10,892	11,237	-3.1 %



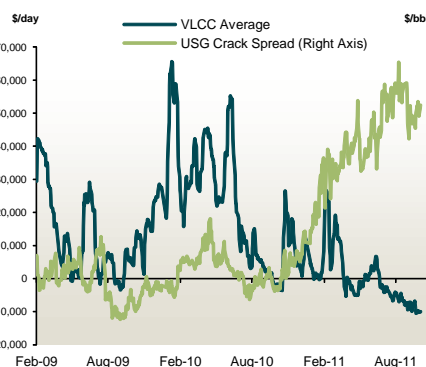
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

Selected Indicators

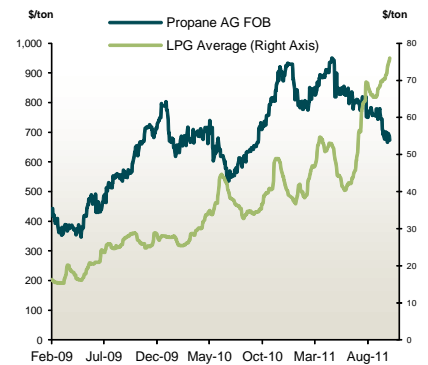
Dry Bulk



Tanker



Gas



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Lorentzen & Stemoco

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