



Lorentzen & Stemoco

# Joint Shipping Service Morning Report



December 12, 2011

## Dry Bulk Market

	Today	Previous	Change	Change YTD
<b>Average TCEs</b>				
Capesize (\$/day)	\$32,617	\$31,118	4.8 %	74.5 %
Panamax (\$/day)	\$13,682	\$13,518	1.2 %	-4.4 %
Supramax (\$/day)	\$12,857	\$13,051	-1.5 %	-13.5 %
BDI	1,922	1,882	2.1 %	13.5 %

According to Reuters, one of Brazilian mining giant Vale's huge iron ore carriers, the world's biggest, will arrive fully-loaded in Asia for the first time next week with a stop in Singapore, according to Reuters Freightviews data. The 388,000-tonne Berge Everest, which has been leased to Vale, is expected to arrive in Singapore on Dec 15th, but it is not clear whether the city-state is the ship's final destination. China, Vale's main market, has yet to give these ships access to domestic ports, forcing the world's largest iron ore producer to send its vessels instead to Italy, Oman and other destinations. The vessel's arrival also comes amid rising concerns over the safety of these Valemax ships after a similar vessel, Vale Beijing, became disabled before setting sail on its maiden voyage.

### Dry Commodities

India Iron Ore China Landed 63% Fe (\$/ton)	\$141	\$141	0.0 %	-19.9 %
China Average HR Sheet (\$/ton)	\$665	\$667	-0.3 %	-4.6 %
Amsterdam Coal API#2 (\$/ton)	\$111.50	\$111.50	0.0 %	-15.5 %
Red Hard Wheat KCBT (\$/bushel)	\$6.37	\$6.34	0.5 %	-17.6 %

## Tanker Market

	Today	Previous	Change	Change YTD
<b>Average TCEs</b>				
VLCC TD3 MEG-Japan (\$/day)	\$12,424	\$12,955	-4.1 %	-23.3 %
Suez Average (\$/day)	\$16,797	\$14,859	13.0 %	-21.2 %
Aframax Average (\$/day)	\$16,023	\$12,260	30.7 %	69.8 %
MR Average (\$/day)	\$10,101	\$10,316	-2.1 %	-3.0 %
<b>Oil Commodities</b>				
Brent Front Month (\$/bbl)	\$107.66	\$108.62	-0.9 %	13.5 %
WTI Front Month (\$/bbl)	\$99.41	\$98.34	1.1 %	7.7 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0.11	-\$0.15	26.7 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	\$17.12	-\$3.63	\$20.7	-

CANBERRA, Dec 12 (Reuters) - The International Energy Agency (IEA) on Monday said a boost in Saudi oil production would provide "welcome" relief to rising oil prices, warning continuing price hikes threatened to thwart global economic recovery efforts. "OECD stock levels are at historically low levels, plus we are in a very fragile economic recovery situation," IEA chief economist Fatih Birol told a seminar. OPEC will meet on Wednesday this week to discuss its members' output levels.

## Gas Market

	Today	Previous	Change	Change YTD
<b>Freight Rates</b>				
LPG Average (\$/ton)	54.93	55.88	-1.7 %	43.4 %
<b>Gas Commodities</b>				
Propane AG Spot (\$/ton)	775.50	791.00	-2.0 %	-15.1 %
Butane AG Spot (\$/ton)	805.50	831.00	-3.1 %	-10.3 %
Natural Gas (\$/MMBTU)	3.29	3.41	-3.5 %	-27.5 %
<b>Bunkers</b>				
380 cSt Fujairah	674.50	686.50	-1.7 %	29.8 %
380 cSt Rotterdam	638.00	638.50	-0.1 %	29.4 %
380 cSt Houston	637.50	643.00	-0.9 %	27.6 %

Indonesia's LNG exports dropped by 15 percent in October from the month before, according to data from the Indonesian Bank. The country exported 83.9 million British thermal units, down from 99.2 million British thermal units in September. Indonesian exports of LNG will fall to 362 cargoes in 2011 from 427 in 2010, regulator BPMigas said earlier this year.

Source: Bloomberg / Lorentzen & Stemoco AS

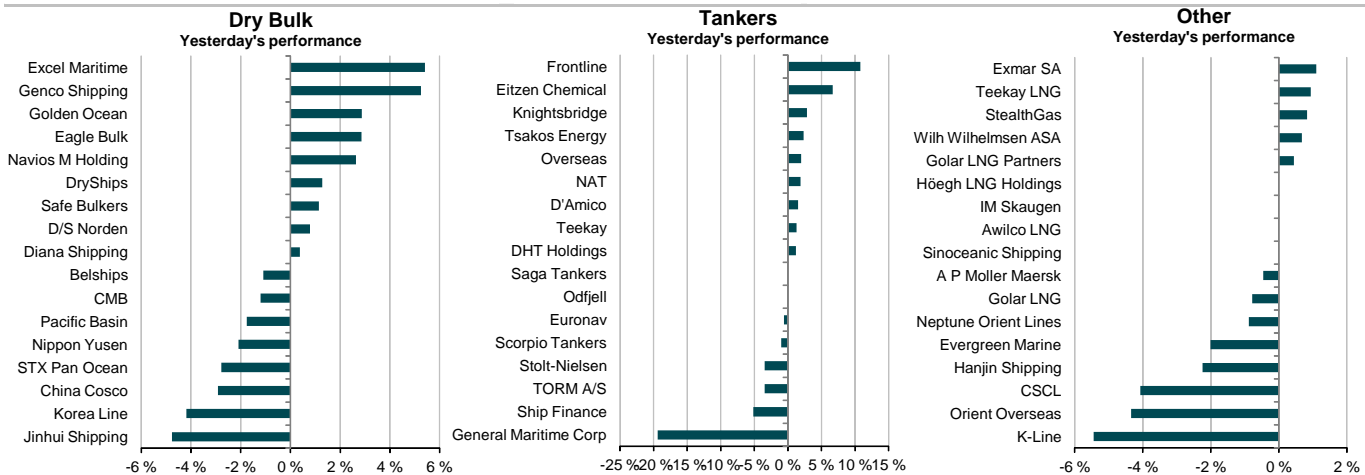
## Shipping Equities

### Selected news:

US commodities trading giant Cargill has chartered in the 46,000-dwt product tanker Endeavour for two years at a rate of \$13,900 daily, Tradewinds reports. Further, Morgan Stanley took the 51,000-dwt product tanker Calafuria at a one+one year time charter at \$13,500/day. More MRs are currently getting fixed at time charters now, brokers report that a number of six MR product tankers have been fixed over the last week.

FreeSeas is the last in a line of shipping companies that is not longer in compliance with US listing rules that the share price can not trade below \$1/share for more than 30 days. The Nasdaq-listed bulker owner has until 4 June, 2012 to regain compliance.

Horizon Lines shareholders approved a 1-to-25 reverse stock split at a special stockholder meeting last week. Stockholders also approved the authorized number of shares to 2.5bn from 100m. *The reverse stock split is a strategically important step that will help the company meet minimum stock price listing standards that are required by the national stock exchanges*, the company commented in a filing as of Friday. Further, the company is allowed to reduce outstanding debt by \$49.7m in January by mandatorily converting a portion of a 6% convertible Series B notes for common stock at \$18.25/share.



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

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# 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	
Golden Ocean	GOGL NO	4.23	2.9 %	4 %	-1 %	-48 %	336	5.1	4.8	7.1	6.6	8 %	5 %	62 %
Jinhui Shipping	JIN NO	10.00	-4.8 %	-9 %	-13 %	-49 %	146	1.4	3.1	3.6	4.6	0 %	0 %	71 %
CMB	CMB BB	15.70	-1.2 %	-2 %	-2 %	-32 %	734	7.1	7.9	7.5	7.6	6 %	6 %	53 %
DryShips	DRYS US	2.37	1.3 %	-4 %	-16 %	-55 %	970	5.4	3.6	8.4	5.6	0 %	0 %	79 %
Diana Shipping	DSX US	7.97	0.4 %	3 %	0 %	-31 %	658	6.1	10.6	3.7	4.5	0 %	0 %	Neg.
Genco Shipping	GNK US	7.82	5.2 %	3 %	-9 %	-46 %	281	10.8	na	7.0	8.9	0 %	0 %	84 %
Navios M Holding	NM US	3.89	2.6 %	2 %	8 %	-26 %	396	6.7	7.1	5.9	5.5	6 %	6 %	74 %
Excel Maritime	EXM US	1.95	5.4 %	-2 %	-12 %	-65 %	167	na	na	7.8	11.0	0 %	0 %	85 %
Eagle Bulk	EGLE US	1.08	2.9 %	-8 %	-18 %	-78 %	68	na	na	11.2	9.2	0 %	0 %	94 %
Safe Bulkers	SB US	6.20	1.1 %	-1 %	-6 %	-30 %	440	4.1	4.1	6.5	6.0	10 %	10 %	50 %
Korea Line	005880 KS	28,600	-4.2 %	-6 %	-32 %	-80 %	330	na	na	na	na	na	na	na
STX Pan Ocean	STX SP	7.00	-2.8 %	-2 %	-13 %	-47 %	1,113	na	na	na	na	0 %	0 %	70 %
Nippon Yusen	9101 JP	187	-2.1 %	2 %	1 %	-48 %	4,097	na	na	12.8	9.5	2 %	2 %	74 %
Pacific Basin	2343 HK	3.35	-1.8 %	-1 %	-6 %	-35 %	834	na	14.4	6.9	6.5	2 %	3 %	21 %
Belships	BEL NO	5.45	-1.1 %	-1 %	-7 %	-25 %	24	na	na	na	na	na	na	na
China Cosco	1919 HK	3.99	-2.9 %	9 %	-4 %	-52 %	8,234	na	na	na	na	0 %	0 %	34 %
D/S Nordco	DNORD DC	141	0.8 %	-5 %	-5 %	-30 %	1,089	11.7	14.9	4.9	4.9	4 %	3 %	Neg.
<b>Market cap weighted average</b>			<b>-1.6 %</b>	<b>3.4 %</b>	<b>-4.6 %</b>	<b>-47.0 %</b>		<b>7.2</b>	<b>9.1</b>	<b>9.0</b>	<b>7.5</b>	<b>1 %</b>	<b>1 %</b>	

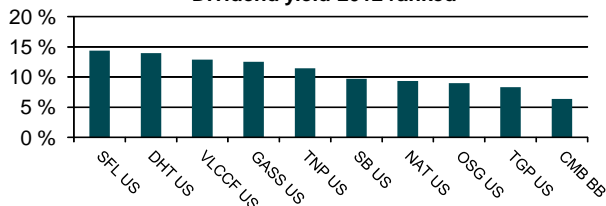
## Tankers

Company	Ticker	(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing
			Last	1d	1w	1m		YTD	M cap	11	12	11	12	
Frontline	FRO NO	21	10.8 %	5 %	-26 %	-86 %	287	na	na	12.3	14.9	3 %	0 %	89 %
Ship Finance	SFL US	10.87	-5.1 %	-6 %	-24 %	-49 %	860	6.6	6.9	13.3	12.1	14 %	14 %	70 %
Euronav	EURN BB	3.44	-0.6 %	-4 %	7 %	-73 %	238	na	na	9.7	11.5	0 %	0 %	84 %
General Maritime Corp	GMRRQ US	0.02	-19.4 %	-15 %	-90 %	-100 %	na	na	na	na	na	0 %	0 %	na
Teekay	TK US	26.88	1.3 %	-3 %	3 %	-19 %	1,881	na	na	10.6	8.6	5 %	5 %	73 %
Overseas	OSG US	9.78	2.0 %	-6 %	-23 %	-72 %	298	na	na	na	15.6	13 %	9 %	87 %
NAT	NAT US	12.87	1.9 %	1 %	-7 %	-51 %	608	na	na	na	18.2	9 %	9 %	23 %
Tsakos Energy	TNP US	5.24	2.3 %	2 %	-13 %	-48 %	242	na	na	15.2	12.7	11 %	11 %	84 %
Saga Tankers	SAGA NO	1.55	0.0 %	3 %	0 %	-72 %	23	na	na	5.2	5.6	0 %	0 %	21 %
Knightsbridge	VLCCF US	15.55	2.8 %	0 %	-10 %	-30 %	380	11.4	12.5	7.5	7.5	13 %	13 %	18 %
DHT Holdings	DHT US	1	1.2 %	2 %	-28 %	-82 %	54	3.7	10.8	5.7	6.3	30 %	14 %	82 %
Odfjell	ODF NO	36.50	0.0 %	3 %	1 %	-32 %	546	na	na	10.0	7.4	3 %	3 %	66 %
TORM A/S	TORM DC	4.16	-3.4 %	9 %	-21 %	-89 %	54	na	na	na	na	0 %	0 %	97 %
Stolt-Nielsen	SNI NO	112.50	-3.4 %	-2 %	3 %	-21 %	1,256	12.4	9.8	8.3	7.1	5 %	5 %	53 %
Eitzen Chemical	ECHEM NO	0.16	6.7 %	-16 %	-6 %	-91 %	31	na	na	na	na	0 %	0 %	97 %
Scorpio Tankers	STNG US	4.95	-1.0 %	-8 %	-14 %	-51 %	90	na	na	16.7	14.7	0 %	0 %	55 %
D'Amico	DIS IM	0.44	1.5 %	-3 %	-16 %	-55 %	88	na	6.6	10.7	5.8	0 %	2 %	75 %
<b>Market cap weighted average</b>			<b>#VALUE!</b>	<b>#VALUE!</b>	<b>#VALUE!</b>	<b>#VALUE!</b>		<b>10.1</b>	<b>9.2</b>	<b>10.5</b>	<b>10.3</b>	<b>###</b>	<b>###</b>	

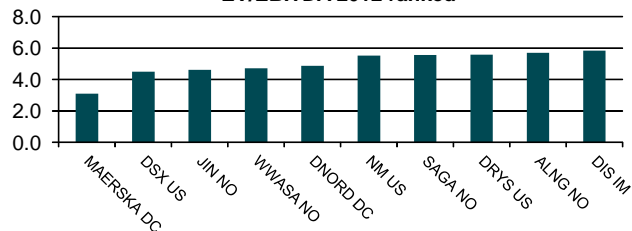
## Other

Company	Ticker	(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing
			Last	1d	1w	1m		YTD	M cap	11	12	11	12	
Golar LNG	GOL NO	254.00	-0.8 %	-1 %	15 %	185 %	3,529	na	na	na	14.4	3 %	3 %	21 %
Golar LNG Partners	GMLP US	29.80	0.4 %	3 %	6 %	na	1,164	na	15.3	14.4	11.4	5 %	6 %	39 %
Höegh LNG Holdings	HLNG NO	49.50	0.0 %	6 %	23 %	na	390	na	na	na	na	0 %	0 %	47 %
IM Skaugen	IMSK NO	30.00	0.0 %	0 %	4 %	-19 %	142	na	16.9	19.2	10.1	0 %	0 %	49 %
Exmar SA	EXM BB	5.52	1.1 %	-1 %	2 %	3 %	439	na	9.8	12.1	8.3	5 %	3 %	67 %
Teekay LNG	TGP US	32	0.9 %	-3 %	2 %	-15 %	2,102	18.1	15.0	13.4	11.6	8 %	8 %	42 %
StealthGas	GASS US	4.00	0.8 %	3 %	0 %	-50 %	84	6.1	4.5	7.4	6.7	0 %	13 %	na
Awilco LNG	ALNG NO	24.00	0.0 %	-2 %	9 %	na	283	na	7.9	na	5.7	0 %	0 %	Neg.
A P Moller Maersk	MAERSKA DC	34,840.00	-0.5 %	-5 %	6 %	-29 %	28,248	12.2	11.2	3.0	3.1	3 %	3 %	35 %
Evergreen Marine	EVGZF US	14.60	-2.0 %	-1 %	-9 %	-47 %	1,678	na	na	na	13.1	0 %	0 %	33 %
Sinoceanic Shipping	SINO NO	4	0.0 %	6 %	-37 %	-53 %	9	na	na	na	na	na	na	na
Hanjin Shipping	000700 KS	7,850	-2.2 %	-2 %	-5 %	-58 %	300	na	na	na	na	na	na	na
K-Line	9107 JP	139.00	-5.4 %	0 %	-3 %	-61 %	1,371	na	na	na	14.5	0 %	0 %	81 %
CSC	2866 HK	1.65	-4.1 %	1 %	11 %	-52 %	5,409	na	na	na	na	0 %	0 %	21 %
Orient Overseas	316 HK	37.45	-4.3 %	0 %	1 %	-38 %	3,012	na	17.1	9.4	8.2	1 %	2 %	18 %
Neptune Orient Lines	NOL SP	1.13	-0.9 %	0 %	3 %	-48 %	2,245	na	na	na	12.6	0 %	0 %	36 %
With Wilhelmsen ASA	WWASA NO	30	0.7 %	-2 %	-6 %	-30 %	1,134	7.6	5.3	5.5	4.7	3 %	4 %	51 %
<b>Market cap weighted average</b>			<b>-1.2 %</b>	<b>-2.5 %</b>	<b>5.7 %</b>	<b>-18.7 %</b>		<b>12.4</b>	<b>11.8</b>	<b>4.8</b>	<b>6.2</b>	<b>2 %</b>	<b>2 %</b>	

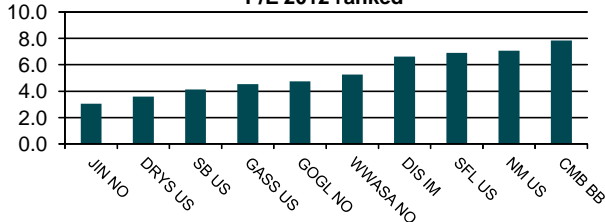
Dividend yield 2012 ranked



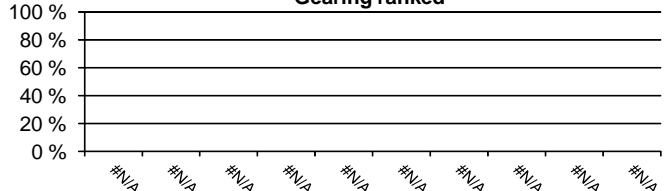
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS



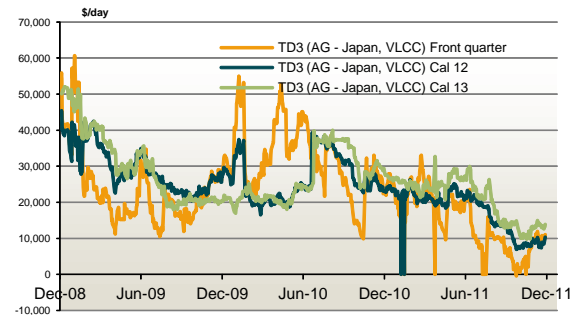
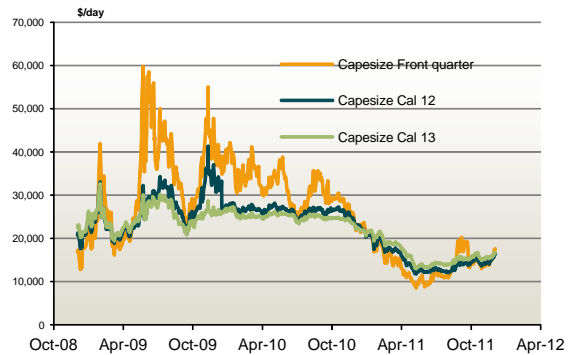
## Currencies

	Today	Previous	Change
EURUSD	1.3306	1.3386	-0.6 %
EURJPY	103.32	103.89	-0.5 %
USDJPY	77.65	77.65	0.0 %
USDKRW	1,147.0	1,146.8	0.0 %
USDCNY	6.3613	6.3644	0.0 %
USDNOK	5.7861	5.7461	0.7 %



## FFAs

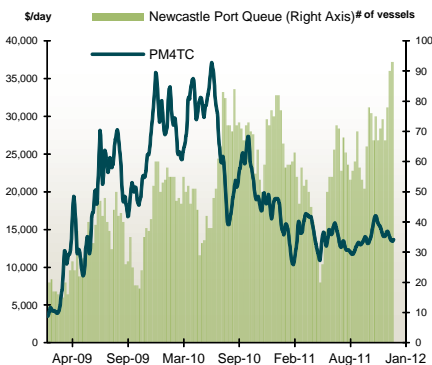
	Today	Previous	Change
Capesize Front quarter	17,571	17,492	0.5 %
Capesize Cal 12	16,435	16,359	0.5 %
Capesize Cal 13	16,792	16,696	0.6 %
	<b>(\$/day)</b>	<b>(\$/day)</b>	
Panamax Front quarter	11,807	11,743	0.5 %
Panamax Cal 12	11,485	11,445	0.3 %
Panamax Cal 13	11,751	11,764	-0.1 %
Supramax Front quarter	11,213	11,205	0.1 %
PM4TC Cal 12	11,091	11,092	0.0 %
PM4TC Cal 13	11,357	11,358	0.0 %
TD3 (AG - Japan, VLCC) Front quarter	11,038	10,814	2.1 %
TD3 (AG - Japan, VLCC) Cal 12	10,314	9,748	5.8 %
TD3 (AG - Japan, VLCC) Cal 13	13,861	13,278	4.4 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	15,664	15,350	2.0 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	12,971	12,600	2.9 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	15,260	15,770	-3.2 %
TC2 (ARA - USEC, MR) Front quarter	9,530	9,512	0.2 %
TC2 (ARA - USEC, MR) Cal 12	9,330	9,270	0.7 %
TC2 (ARA - USEC, MR) Cal 13	10,126	10,022	1.0 %



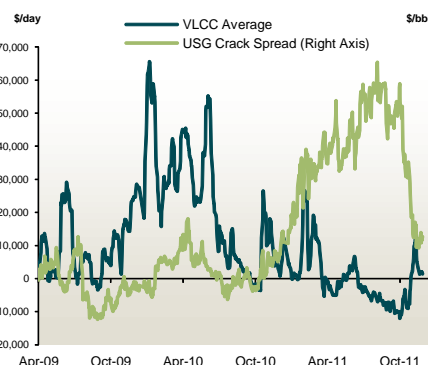
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

## Selected Indicators

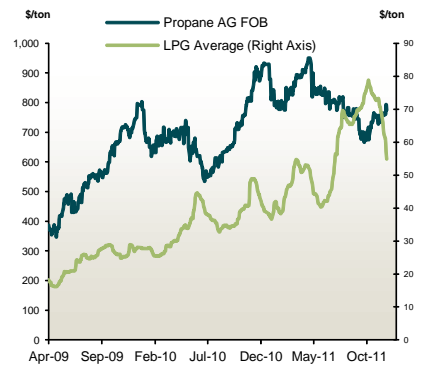
### Dry Bulk



### Tanker



### Gas



Source: Bloomberg / Lorentzen & Stemoco AS





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# General Disclaimer



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