



Lorentzen & Stemoco

# Joint Shipping Service Morning Report



December 14, 2011

## Dry Bulk Market

	Today	Previous	Change	Change YTD
<b>Average TCEs</b>				
Capesize (\$/day)	\$32,587	\$32,889	-0.9 %	74.3 %
Panamax (\$/day)	\$13,996	\$13,850	1.1 %	-2.2 %
Supramax (\$/day)	\$12,609	\$12,737	-1.0 %	-15.1 %
BDI	1,922	1,930	-0.4 %	13.5 %
<b>Dry Commodities</b>				
India Iron Ore China Landed 63% Fe (\$/ton)	\$144	\$144	0.0 %	-18.2 %
China Average HR Sheet (\$/ton)	\$664	\$664	0.0 %	-4.7 %
Amsterdam Coal API#2 (\$/ton)	\$112.35	\$112.45	-0.1 %	-10.8 %
Red Hard Wheat KCBT (\$/bushel)	\$6.27	\$6.37	-1.6 %	-20.0 %

According to Reuters, Chinese shipowners association urged its government to carefully review the safety of Vale's new mega iron ore carriers before allowing them access to domestic ports, the gateway to the Brazilian firm's main market. China Shipowners' Association said the 400,000-tonne Valemaxes, the world's largest dry bulk ships, have not been thoroughly tested and could pose a safety threat. The industry group's comments come a week after a leak was found on the Vale Beijing while it was preparing to set sail on its maiden voyage. "Such mega ships have been newly built ... and it is not yet certain whether they can withstand various sea conditions," the group said in an email to Reuters. "If there is any leaking of fuel oil, the pollution will be catastrophic."

## Tanker Market

	Today	Previous	Change	Change YTD
<b>Average TCEs</b>				
VLCC TD3 MEG-Japan (\$/day)	\$12,107	\$14,457	-16.3 %	-25.3 %
Suez Average (\$/day)	\$19,575	\$18,777	4.2 %	-8.2 %
Aframax Average (\$/day)	\$21,906	\$20,208	8.4 %	132.2 %
MR Average (\$/day)	\$10,523	\$10,535	-0.1 %	1.1 %
<b>Oil Commodities</b>				
Brent Front Month (\$/bbl)	\$109.03	\$109.50	-0.4 %	15.0 %
WTI Front Month (\$/bbl)	\$100.14	\$97.77	2.4 %	9.0 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0.43	-\$0.42	-2.4 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	\$15.93	\$0.16	\$15.8	-

Healthy production levels by OPEC will help balance oil markets next year as demand growth slows, the West's energy watchdog and OPEC said on Tuesday, a day ahead of a policy-setting meeting by the producer group. The International Energy Agency said the Organization of the Petroleum Exporting Countries had raised output to its highest level in more than three years, and the oil producer group said it was now pumping more than might be required next year, writes Reuters.

## Gas Market

	Today	Previous	Change	Change YTD
<b>Freight Rates</b>				
LPG Average (\$/ton)	54	54.25	-0.5 %	41.0 %
<b>Gas Commodities</b>				
Propane AG Spot (\$/ton)	776.50	775.50	0.1 %	-15.0 %
Butane AG Spot (\$/ton)	811.50	805.50	0.7 %	-9.6 %
Natural Gas (\$/MMBTU)	3.11	3.12	-0.3 %	-31.5 %
<b>Bunkers</b>				
380 cSt Fujairah	672.00	672.00	0.0 %	29.4 %
380 cSt Rotterdam	633.50	634.00	-0.1 %	28.5 %
380 cSt Houston	633.50	637.50	-0.6 %	26.8 %

The ten regional electric power companies in Japan consumed 44,150,291 mt of LNG in January-November period, a year-on-year rise of 19 percent, according to the Federation of Electric Power Companies of Japan (FEPC). The companies received 4,909,371 mt of LNG in November, an increase of 48.4% compared to the same period last year, FEPC said in a report today. Japan's 10 power companies consumed 23 percent more LNG in September from a year earlier, writes LNG World News

Source: Bloomberg / Lorentzen & Stemoco AS

## Shipping Equities

### Selected news:

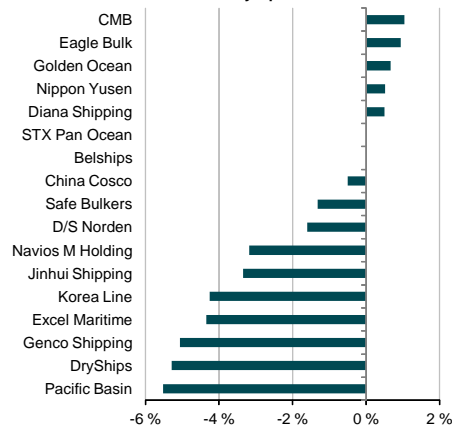
Fitch has cut its credit ratings for Berlian Laju Tanker (BLT) to CCC from B-. Further, the rating on its \$400m senior unsecured notes maturing in 2014 has been cut to CC from CCC. The credit agency says the downgrades reflect BLT's increased liquidity risk as it is yet to secure refinancing for its \$127m domestic bonds that mature in 2012. The company is required to stay above a minimum cash balance of \$75m in order to comply with debt covenants.

DNB Bank is heading a \$500m syndicated facility to Hyundai Merchant Marine, Tradewinds reports today. HMM will use the proceeds from the loan to pay for five 13,100-teu containerships it booked at Korean yards in August. Other members of the loan syndicate include ABN Amro, Credit Agricole, Korea Finance Corp and the Korean Development Bank.

CMA CGM is entering into an agreement with Orient Overseas Container Lines (OOCL) that will strengthen its position on the New Zealand/Far East trade lanes. CMA CGM currently deploys six vessels on its ANZEX service with capacities of between 1,740 and 1,941 teu. OOCL has not said how many ships it will deploy on the loop. OOCL says in a statement that the new vessel-sharing agreement will increase its capacity and port coverage. The service starts on Dec 24.

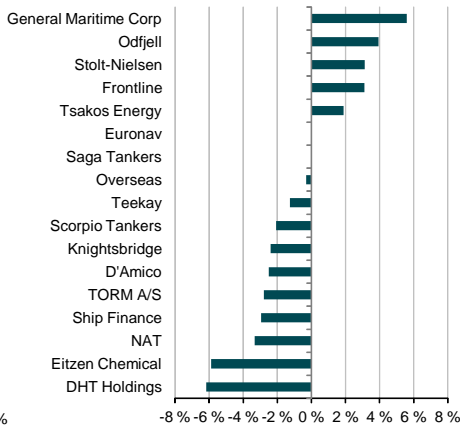
### Dry Bulk

#### Yesterday's performance



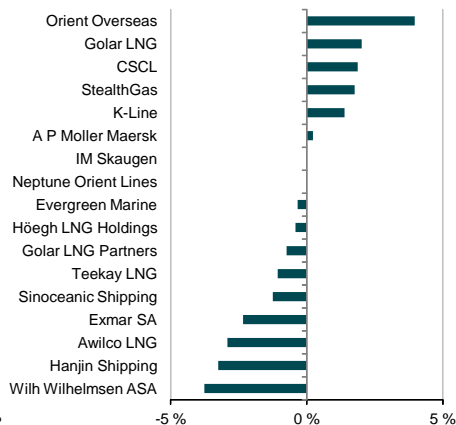
### Tankers

#### Yesterday's performance



### Other

#### Yesterday's performance



Source: First Securities AS / JCI 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	4.23	0.7 %	2 %	-4 %	-48 %
Jinhui Shipping	JIN NO	10.10	-3.3 %	-11 %	-10 %	-48 %
CMB	CMB BB	15.50	1.0 %	-4 %	-4 %	-33 %
DryShips	DRYS US	2.15	-5.3 %	-14 %	-25 %	-59 %
Diana Shipping	DSX US	8.07	0.5 %	3 %	-4 %	-30 %
Genco Shipping	GNK US	7.31	-5.1 %	-6 %	-24 %	-49 %
Navios M Holding	NM US	3.66	-3.2 %	-6 %	1 %	-31 %
Excel Maritime	EXM US	1.76	-4.3 %	-9 %	-26 %	-69 %
Eagle Bulk	EGLE US	1.07	0.9 %	-4 %	-24 %	-79 %
Safe Bulkers	SB US	6.00	-1.3 %	-3 %	-10 %	-32 %
Korea Line	005880 KS	27,000	-4.3 %	-12 %	-36 %	-82 %
STX Pan Ocean	STX SP	7.00	0.0 %	0 %	-10 %	-47 %
Nippon Yusen	9101 JP	196	0.5 %	2 %	11 %	-46 %
Pacific Basin	2343 HK	3.08	-5.5 %	-11 %	-10 %	-40 %
Belships	BEL NO	5.45	0.0 %	-1 %	-4 %	-25 %
China Cosco	1919 HK	3.98	-0.5 %	2 %	2 %	-52 %
D/S Nordco	DNORD DC	135	-1.6 %	-7 %	-11 %	-33 %

### Market cap weighted average

**-0.8 % -0.8 % -1.0 % -47.3 %**

## Tankers

Company	Ticker	(Local curr) Last	Performance			
			1d	1w	1m	YTD
Frontline	FRO NO	20	3.1 %	-8 %	-45 %	-87 %
Ship Finance	SFL US	9.90	-2.9 %	-16 %	-34 %	-54 %
Euronav	EURN BB	3.32	0.0 %	-9 %	-3 %	-74 %
General Maritime Corp	GMRRQ US	0.02	5.6 %	-25 %	-91 %	-99 %
Teekay	TK US	25.84	-1.3 %	-6 %	-7 %	-22 %
Overseas	OSG US	9.53	-0.3 %	-5 %	-33 %	-73 %
NAT	NAT US	12.20	-3.3 %	-7 %	-16 %	-53 %
Tsakos Energy	TNP US	5.39	1.9 %	1 %	-13 %	-46 %
Saga Tankers	SAGA NO	1.55	0.0 %	0 %	-3 %	-72 %
Knightsbridge	VLCFCF US	15.09	-2.4 %	-3 %	-15 %	-32 %
DHT Holdings	DHT US	1	-6.2 %	-29 %	-45 %	-85 %
Odfjell	ODF NO	37.00	3.9 %	3 %	2 %	-31 %
TORM A/S	TORM DC	4.05	-2.8 %	-8 %	-21 %	-90 %
Stolt-Nielsen	SNI NO	115.50	3.1 %	-3 %	5 %	-19 %
Eitzen Chemical	EICHEM NO	0.16	-5.9 %	-6 %	-11 %	-91 %
Scorpio Tankers	STNG US	4.73	-2.1 %	-9 %	-31 %	-53 %
D'Amico	DIS IM	0.43	-2.5 %	-2 %	-23 %	-56 %

### Market cap weighted average

**-0.2 % -5.9 % -11.8 % -38.9 %**

## Other

Company	Ticker	(Local curr) Last	Performance			
			1d	1w	1m	YTD
Golar LNG	GOL NO	253.00	2.0 %	2 %	11 %	183 %
Golar LNG Partners	GMLP US	29.38	-0.7 %	0 %	3 %	na
Höegh LNG Holdings	HLNG NO	48.30	-0.4 %	4 %	18 %	na
IM Skaugen	IMSK NO	30.00	0.0 %	0 %	12 %	-19 %
Exmar SA	EXM BB	5.42	-2.3 %	-1 %	-1 %	1 %
Teekay LNG	TGP US	32	-1.1 %	-2 %	0 %	-15 %
StealthGas	GASS US	4.06	1.8 %	4 %	2 %	-49 %
Awilco LNG	ALNG NO	23.30	-2.9 %	-4 %	11 %	na
A P Moller Maersk	MAERSKA DC	34,800.00	0.2 %	-2 %	5 %	-29 %
Evergreen Marine	EVGFZ US	14.65	-0.3 %	1 %	-5 %	-47 %
Sinoceanic Shipping	SINO NO	4	-1.2 %	-1 %	-37 %	-54 %
Hanjin Shipping	000700 KS	7,720	-3.3 %	-4 %	3 %	-58 %
K-Line	9107 JP	146.00	1.4 %	-1 %	8 %	-59 %
CSCG	2866 HK	1.63	1.9 %	-4 %	18 %	-53 %
Orient Overseas	316 HK	39.30	4.0 %	0 %	11 %	-35 %
Neptune Orient Lines	NOL SP	1.14	0.0 %	-2 %	9 %	-48 %
With Wilhelmsen ASA	WWASA NO	28	-3.8 %	-5 %	-11 %	-34 %

### Market cap weighted average

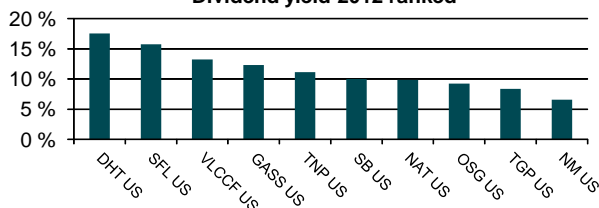
**0.5 % -1.6 % 6.5 % -19.1 %**

(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing
	11	12	11	12	11	12	Net debt/EV
327	4.9	4.6	7.0	6.6	8 %	6 %	62 %
144	1.4	3.0	3.5	4.6	0 %	0 %	71 %
710	7.0	7.8	7.5	7.5	6 %	6 %	54 %
880	4.9	3.3	8.1	5.5	0 %	0 %	81 %
666	6.2	10.6	3.8	4.6	0 %	0 %	Neg.
263	10.1	na	6.9	8.8	0 %	0 %	85 %
372	6.3	6.6	5.8	5.4	7 %	7 %	75 %
151	na	na	7.7	10.8	0 %	0 %	86 %
67	na	na	11.2	9.2	0 %	0 %	94 %
425	4.0	4.0	6.4	5.9	10 %	10 %	50 %
310	na	na	na	na	na	na	na
1,106	na	na	na	na	0 %	0 %	70 %
4,282	na	na	12.9	9.6	2 %	2 %	73 %
767	na	13.2	6.5	6.1	3 %	4 %	22 %
23	na	na	na	na	na	na	na
8,170	na	na	na	na	0 %	0 %	34 %
1,024	11.0	14.0	4.5	4.5	4 %	3 %	Neg.

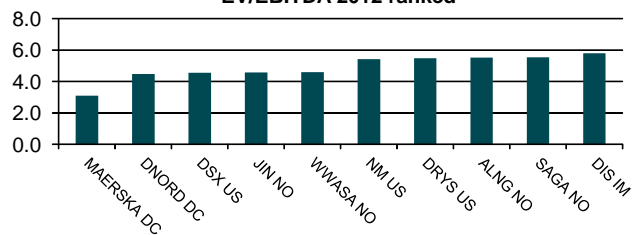
(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing
	11	12	11	12	11	12	Net debt/EV
267	na	na	12.2	15.5	4 %	0 %	89 %
783	6.0	6.3	12.9	11.8	16 %	16 %	71 %
225	na	na	9.6	11.4	0 %	0 %	84 %
2	na	na	na	na	0 %	0 %	100 %
1,809	na	na	10.5	8.6	5 %	5 %	74 %
290	na	na	na	15.5	14 %	9 %	88 %
577	na	na	na	17.5	10 %	10 %	24 %
249	na	na	15.2	12.8	11 %	11 %	84 %
23	na	na	5.2	5.5	0 %	0 %	21 %
369	11.0	12.1	7.3	7.3	13 %	13 %	19 %
43	3.0	8.6	5.4	6.0	38 %	18 %	85 %
541	na	na	9.9	7.4	3 %	3 %	66 %
52	na	na	na	na	0 %	0 %	97 %
1,253	12.4	9.8	8.3	7.1	5 %	5 %	54 %
31	na	na	na	na	0 %	0 %	97 %
86	na	na	16.4	14.5	0 %	0 %	56 %
85	na	6.4	10.6	5.8	0 %	2 %	76 %

(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing
	11	12	11	12	11	12	Net debt/EV
3,416	na	na	na	14.0	3 %	3 %	22 %
1,148	na	15.1	14.3	11.3	5 %	6 %	40 %
370	na	na	na	na	0 %	0 %	48 %
138	na	16.4	18.9	9.9	0 %	0 %	50 %
422	na	9.5	12.0	8.2	5 %	3 %	68 %
2,096	18.1	15.0	13.4	11.6	8 %	8 %	42 %
86	6.2	4.6	7.4	6.7	0 %	12 %	na
267	na	7.7	na	5.5	0 %	0 %	Neg.
27,597	12.2	11.2	3.0	3.1	3 %	3 %	35 %
1,682	na	na	na	13.1	0 %	0 %	32 %
9	na	na	na	na	na	na	na
293	na	na	na	na	na	na	na
1,435	na	na	na	14.7	0 %	0 %	80 %
5,391	na	na	na	na	0 %	0 %	22 %
3,162	na	17.9	9.8	8.5	1 %	2 %	17 %
2,262	na	na	na	12.5	0 %	0 %	35 %
1,046	7.2	5.0	5.4	4.6	4 %	4 %	52 %

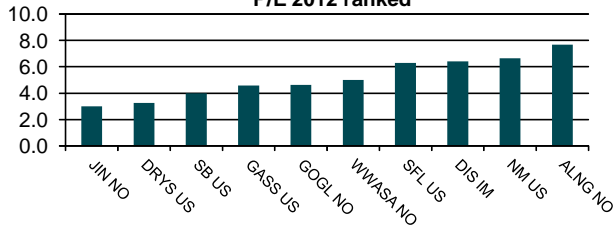
Dividend yield 2012 ranked



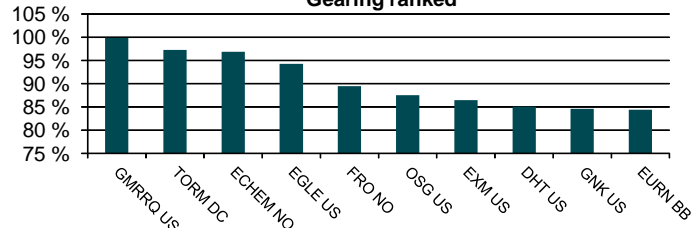
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS



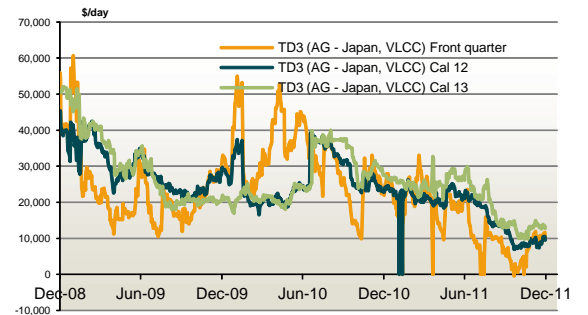
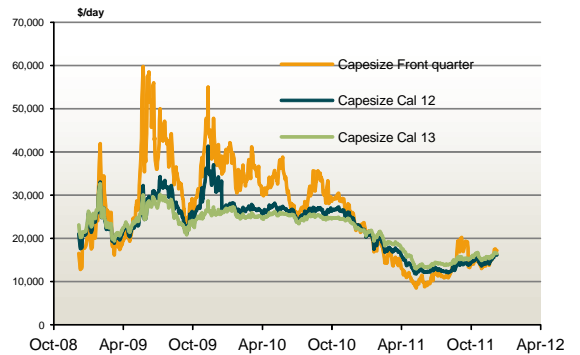
## Currencies

	Today	Previous	Change
EURUSD	1.3039	1.3037	0.0 %
EURJPY	101.67	101.68	0.0 %
USDJPY	77.98	78	0.0 %
USDKRW	1,156.2	1,154.0	0.2 %
USDCNY	6.3713	6.3657	0.1 %
USDNOK	5.9248	5.9373	-0.2 %



## FFAs

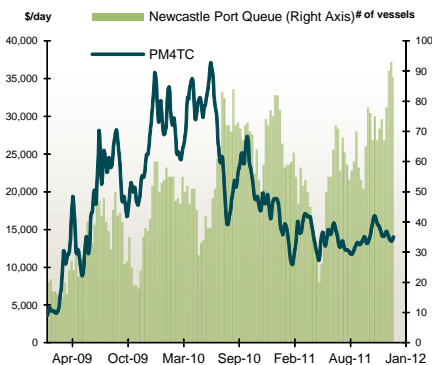
	Today	Previous	Change
Capesize Front quarter	17,192	17,217	-0.1 %
Capesize Cal 12	16,142	16,160	-0.1 %
Capesize Cal 13	16,567	16,604	-0.2 %
	<b>(\$/day)</b>	<b>(\$/day)</b>	
Panamax Front quarter	11,693	11,776	-0.7 %
Panamax Cal 12	11,321	11,394	-0.6 %
Panamax Cal 13	11,696	11,743	-0.4 %
Supramax Front quarter	11,310	11,183	1.1 %
PM4TC Cal 12	11,134	11,078	0.5 %
PM4TC Cal 13	11,310	11,328	-0.2 %
TD3 (AG - Japan, VLCC) Front quarter	9,783	11,688	-16.3 %
TD3 (AG - Japan, VLCC) Cal 12	9,499	10,500	-9.5 %
TD3 (AG - Japan, VLCC) Cal 13	12,814	13,420	-4.5 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	15,472	15,881	-2.6 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	12,671	13,030	-2.8 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	14,829	15,109	-1.9 %
TC2 (ARA - USEC, MR) Front quarter	9,467	9,528	-0.6 %
TC2 (ARA - USEC, MR) Cal 12	9,207	9,186	0.2 %
TC2 (ARA - USEC, MR) Cal 13	9,908	10,062	-1.5 %



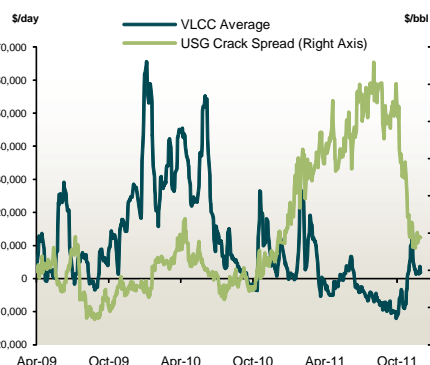
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

## Selected Indicators

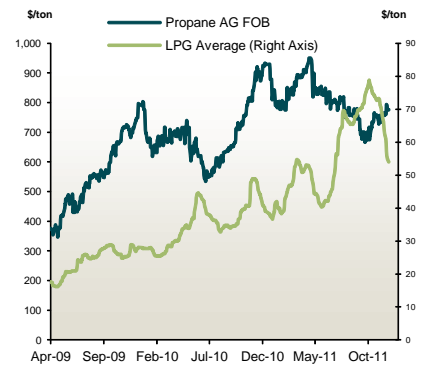
### Dry Bulk



### Tanker



### Gas



Source: Bloomberg / Lorentzen & Stemoco AS





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# General Disclaimer



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