



Lorentzen & Stemoco

# Joint Shipping Service Morning Report



November 15, 2011

## Dry Bulk Market

	Today	Previous	Change	Change YTD
<b>Average TCEs</b>				
Capesize (\$/day)	\$26,650	\$27,188	-2.0 %	42.5 %
Panamax (\$/day)	\$14,095	\$14,079	0.1 %	-1.5 %
Supramax (\$/day)	\$13,864	\$13,844	0.1 %	-6.7 %
BDI	1,818	1,835	-0.9 %	7.4 %
<b>Dry Commodities</b>				
India Iron Ore China Landed 63% Fe (\$/ton)	\$131	\$131	0.0 %	-25.6 %
China Average HR Sheet (\$/ton)	\$670	\$668	0.3 %	-3.9 %
Amsterdam Coal API#2 (\$/ton)	\$115.10	\$115.85	-0.6 %	-8.6 %
Red Hard Wheat KCBT (\$/bushel)	\$6.70	\$6.82	-1.8 %	-14.1 %

Tradewinds quotes a report by PricewaterhouseCoopers saying that Capesize owners should consider cashing in their chips now amid expectations that the market is in for a huge oversupply. It notes the fleet will shoot up by 40 percent in the next three years as boom time orders are delivered, while demand is expected to stagnate to low single digit levels. David Smith, assistant director at PwC Strategy, said: "As in other sectors of the shipping industry, dry bulk market participants are assuming that the next decade will look very much like the last in terms of patterns of trade flow growth. This has led to continued orders of new vessels on the assumption that Chinese demand for iron ore will continue to grow rapidly, but our estimates show that growth will be much lower in the

## Tanker Market

	Today	Previous	Change	Change YTD
<b>Average TCEs</b>				
VLCC TD3 MEG-Japan (\$/day)	\$12,200	\$10,479	16.4 %	-24.7 %
Suez Average (\$/day)	\$7,669	\$8,689	-11.7 %	-64.0 %
Aframax Average (\$/day)	\$1,338	\$853	56.9 %	-85.8 %
MR Average (\$/day)	\$9,355	\$9,935	-5.8 %	-10.1 %
<b>Oil Commodities</b>				
Brent Front Month (\$/bbl)	\$112.61	\$111.89	0.6 %	18.7 %
WTI Front Month (\$/bbl)	\$98.14	\$98.99	-0.9 %	7.1 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0.79	-\$0.61	-29.5 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	-\$0.29	\$11.62	-\$11.9	-

Frontline Ltd. reported this morning that it has entered into an agreement to sell its 1993-built double hull Suezmax tanker Front Delta. Delivery to the buyer is expected to take place in late November 2011 and the vessel will cease to operate in the tanker market. The sale will result in a net cash outflow of approximately \$1.5 million, after repayment of bank debt, and the Company expects to record a loss of approximately \$18.5 million

## Gas Market

	Today	Previous	Change	Change YTD
<b>Freight Rates</b>				
LPG Average (\$/ton)	73.19	73	0.3 %	91.0 %
<b>Gas Commodities</b>				
Propane AG Spot (\$/ton)	740.00	752.50	-1.7 %	-18.9 %
Butane AG Spot (\$/ton)	785.00	807.50	-2.8 %	-12.6 %
Natural Gas (\$/MMBTU)	3.14	3.28	-4.3 %	-30.8 %
<b>Bunkers</b>				
380 cSt Fujairah	705.50	710.50	-0.7 %	35.8 %
380 cSt Rotterdam	667.50	665.50	0.3 %	35.4 %
380 cSt Houston	679.50	661.50	2.7 %	36.0 %

South Korea's imports of liquefied natural gas (LNG) jumped 9 percent in October over a year earlier, as the world's second-largest LNG buyer built its inventory ahead of winter demand, customs data showed on Tuesday. South Korea imported 2.98 million tonnes of LNG in October, up from 2.74 million tonnes a year earlier, the Korea Customs Service data showed. It imported LNG mostly from Indonesia, Qatar, Malaysia, Oman and Russia

Source: Bloomberg / Lorentzen & Stemoco AS

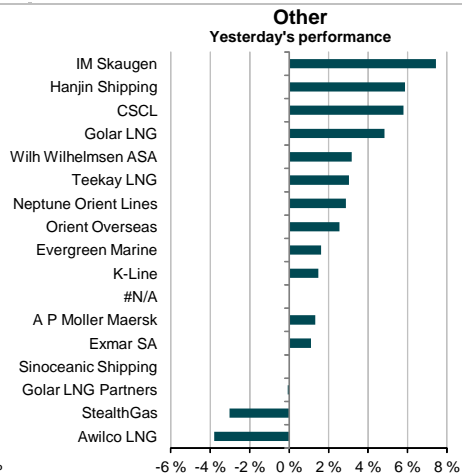
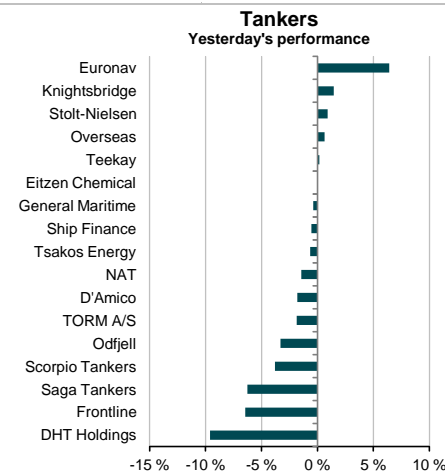
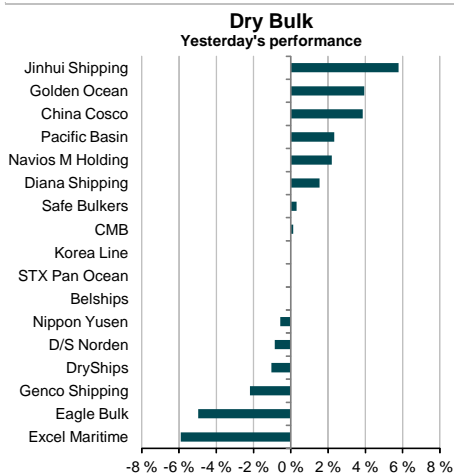
## Shipping Equities

### Selected news:

According to an 8-K filing as of yesterday, General Maritime Corp (Reduce, tp USD 0.05/share) has secured an extension to a set of debt covenant amendments through and including November 15, 2011. The amendments, entered into on November 10, waive the covenant regarding the \$35m minimum cash balance under the company's \$550m, \$372m and \$200m credit facilities. The company did not disclose anything about the progress of its talks with lenders and bondholders over a much needed rescue package. GMR is scheduled to make a \$18m interest payment on its \$300m bonds today.

Scorpio Tankers (Buy, tp USD 9/share) reported a net loss of \$7m for the third quarter; stronger than our \$8m loss estimate but lower than the \$6m expected by the street. Activity and freight levels have increased so far in the fourth quarter, STNG comments.

STX Pan Ocean recorded a net loss of \$35m for the third quarter, bringing the total loss so far this year to \$63m; down from a net profit over the first nine months of 2010 of \$59m due to ailing spot rates. Meanwhile, the company's fleet has increased, resulting in higher volumes. While the company's tanker division has lost \$42m YTD and its container services are down \$33m, STX Pan Ocean's car and LNG operations have contributed with a \$15m profit.





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	4.58	3.9 %	6 %	-2 %	-44 %	368	5.7	5.5	7.7	7.0	12 %	10 %	61 %	
Jinhui Shipping	JIN NO	11.90	5.8 %	1 %	-13 %	-39 %	176	1.7	3.7	3.8	4.9	0 %	0 %	67 %	
CMB	CMB BB	16.15	0.1 %	-1 %	-11 %	-30 %	771	7.3	8.1	7.6	7.7	6 %	6 %	53 %	
DryShips	DRYS US	2.85	-1.0 %	-5 %	4 %	-46 %	1,167	6.4	4.2	8.6	5.8	0 %	0 %	76 %	
Diana Shipping	DSX US	8.54	1.5 %	2 %	1 %	-26 %	705	6.5	10.7	3.9	4.7	0 %	0 %	Neg.	
Genco Shipping	GNK US	9.36	-2.2 %	7 %	1 %	-35 %	337	13.3	na	7.3	9.1	0 %	0 %	81 %	
Navios M Holding	NM US	3.72	2.2 %	-2 %	-3 %	-30 %	378	6.9	7.0	5.9	5.4	6 %	6 %	75 %	
Excel Maritime	EXM US	2.23	-5.9 %	-6 %	-26 %	-60 %	191	na	na	7.9	11.3	0 %	0 %	83 %	
Eagle Bulk	EGLE US	1.34	-5.0 %	-2 %	-21 %	-73 %	84	na	na	11.4	9.4	0 %	0 %	93 %	
Safe Bulkers	SB US	6.71	0.3 %	-2 %	2 %	-24 %	476	4.5	4.5	6.8	6.3	9 %	9 %	48 %	
Korea Line	005880 KS	7,500	0.0 %	0 %	-25 %	-71 %	108	na	na	na	na	na	na	na	
STX Pan Ocean	STX SP	7.75	0.0 %	-4 %	-10 %	-41 %	1,237	na	na	na	na	0 %	0 %	66 %	
Nippon Yusen	9101 JP	175	-0.6 %	-5 %	-15 %	-51 %	3,867	na	15.2	9.9	8.7	2 %	2 %	75 %	
Pacific Basin	2343 HK	3.52	2.3 %	-3 %	-1 %	-32 %	876	na	15.1	7.5	6.8	2 %	3 %	20 %	
Belships	BEL NO	5.68	0.0 %	-2 %	-5 %	-22 %	25	na	na	na	na	na	na	na	
China Cosco	1919 HK	4.04	3.9 %	0 %	-3 %	-51 %	9,564	na	na	na	na	0 %	0 %	30 %	
D/S Nordco	DNORD DC	150	-0.9 %	-1 %	-6 %	-26 %	1,181	11.7	16.3	5.0	4.9	4 %	3 %	Neg.	
<b>Market cap weighted average</b>			<b>1.7 %</b>	<b>-1.5 %</b>	<b>-5.6 %</b>	<b>-45.3 %</b>		<b>7.8</b>	<b>11.8</b>	<b>7.9</b>	<b>7.2</b>	<b>1 %</b>	<b>1 %</b>		

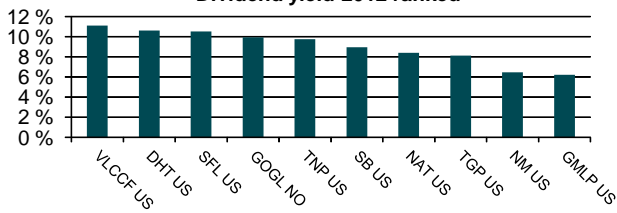
## Tankers

Company	Ticker	(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing	
			Last	1d	1w	1m		YTD	M cap	11	12	11	12	11	12
Frontline	FRO NO	34	-6.5 %	28 %	17 %	-77 %	467	na	na	12.8	11.7	2 %	1 %	83 %	
Ship Finance	SFL US	14.82	-0.5 %	1 %	6 %	-31 %	1,173	8.9	9.0	14.3	12.8	11 %	11 %	63 %	
Euronav	EURN BB	3.65	6.4 %	14 %	-12 %	-71 %	258	na	na	9.9	11.6	0 %	0 %	83 %	
General Maritime	GMR US	0.18	-0.4 %	-5 %	-46 %	-94 %	22	na	na	na	na	0 %	0 %	98 %	
Teekay	TK US	27.73	0.2 %	3 %	10 %	-16 %	1,941	na	na	10.5	8.3	5 %	5 %	72 %	
Overseas	OSG US	14.35	0.6 %	16 %	-6 %	-59 %	437	na	na	na	16.1	9 %	6 %	82 %	
NAT	NAT US	14.27	-1.5 %	2 %	-4 %	-45 %	675	na	na	na	18.2	8 %	8 %	20 %	
Tsakos Energy	TNP US	6.16	-0.6 %	0 %	3 %	-38 %	284	na	na	13.1	10.0	10 %	10 %	82 %	
Saga Tankers	SAGA NO	1.50	-6.3 %	3 %	25 %	-73 %	23	na	na	na	5.8	0 %	0 %	20 %	
Knightsbridge	LWCCF US	18.03	1.5 %	1 %	4 %	-19 %	440	13.2	14.5	8.4	8.4	11 %	11 %	16 %	
DHT Holdings	DHT US	1	-9.6 %	-12 %	-41 %	-76 %	71	4.7	14.1	6.0	6.7	23 %	11 %	78 %	
Odfjell	ODF NO	35.00	-3.3 %	-3 %	-5 %	-35 %	529	na	na	10.1	8.5	3 %	3 %	66 %	
TORM A/S	TORM DC	5.01	-1.9 %	-8 %	-25 %	-87 %	67	na	na	na	11.7	0 %	0 %	96 %	
Stolt-Nielsen	SNI NO	111.00	0.9 %	4 %	3 %	-22 %	1,249	12.4	8.6	8.5	7.2	5 %	5 %	54 %	
Eitzen Chemical	EICHEM NO	0.18	0.0 %	-5 %	50 %	-90 %	36	na	na	na	na	0 %	0 %	96 %	
Scorpio Tankers	STNG US	6.59	-3.8 %	5 %	11 %	-35 %	119	na	na	18.8	17.5	0 %	0 %	47 %	
D'Amico	DIS IM	0.55	-1.8 %	0 %	-13 %	-44 %	112	na	8.5	10.9	5.7	0 %	1 %	72 %	
<b>Market cap weighted average</b>			<b>-0.5 %</b>	<b>4.5 %</b>	<b>3.2 %</b>	<b>-34.4 %</b>		<b>10.9</b>	<b>9.7</b>	<b>11.0</b>	<b>10.6</b>	<b>6 %</b>	<b>6 %</b>		

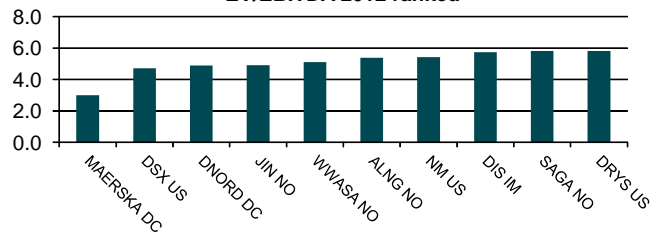
## Other

Company	Ticker	(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing	
			Last	1d	1w	1m		YTD	M cap	11	12	11	12	11	12
Golar LNG	GOL NO	238.50	4.8 %	8 %	22 %	167 %	3,340	na	na	na	14.1	3 %	3 %	21 %	
Golar LNG Partners	GMLP US	28.42	-0.1 %	0 %	10 %	na	1,111	19.1	15.2	13.0	10.6	5 %	6 %	35 %	
Höegh LNG Holdings	HLNG NO	41.50	1.5 %	2 %	9 %	na	330	na	na	na	na	0 %	0 %	48 %	
IM Skaugen	IMSK NO	28.90	7.4 %	1 %	0 %	-22 %	137	na	16.4	18.9	9.9	0 %	0 %	50 %	
Exmar SA	EXM BB	5.52	1.1 %	2 %	27 %	3 %	448	na	10.8	10.9	8.2	5 %	3 %	67 %	
Teekay LNG	TGP US	33	3.0 %	1 %	-4 %	-13 %	2,155	18.6	15.4	13.5	11.8	8 %	8 %	42 %	
StealthGas	GASS US	3.85	-3.0 %	-6 %	-5 %	-52 %	81	5.8	4.6	na	na	na	na	na	
Awilco LNG	ALNG NO	20.20	-3.8 %	-4 %	15 %	na	240	na	7.1	na	5.4	0 %	0 %	Neg.	
A P Moller Maersk	MAERSKA DC	33,640.00	1.3 %	2 %	-2 %	-32 %	27,820	11.5	10.7	3.0	3.0	3 %	3 %	35 %	
Evergreen Marine	EVGFZ US	15.70	1.6 %	-3 %	-6 %	-43 %	1,808	na	na	na	11.2	0 %	0 %	30 %	
Sinoceanic Shipping	SINO NO	6	0.0 %	-2 %	-3 %	-26 %	15	na	na	na	na	na	na	na	
Hanjin Shipping	000700 KS	7,940	5.9 %	-4 %	3 %	-57 %	310	na	na	na	na	na	na	na	
K-Line	9107 JP	137.00	1.5 %	-3 %	-12 %	-62 %	1,363	na	na	na	14.0	0 %	0 %	81 %	
CSC	2866 HK	1.46	5.8 %	-1 %	5 %	-58 %	5,735	na	na	na	na	0 %	0 %	19 %	
Orient Overseas	316 HK	36.30	2.5 %	1 %	4 %	-40 %	2,919	15.9	12.6	7.3	6.3	2 %	2 %	16 %	
Neptune Orient Lines	NOL SP	1.08	2.9 %	-2 %	-8 %	-51 %	2,154	na	na	na	10.4	0 %	0 %	36 %	
With Wilhelmsen ASA	WWASA NO	33	3.2 %	-1 %	16 %	-24 %	1,255	8.7	5.8	5.8	5.1	3 %	3 %	48 %	
<b>Market cap weighted average</b>			<b>2.3 %</b>	<b>1.1 %</b>	<b>1.0 %</b>	<b>-22.6 %</b>		<b>12.4</b>	<b>11.1</b>	<b>4.5</b>	<b>5.8</b>	<b>2 %</b>	<b>3 %</b>		

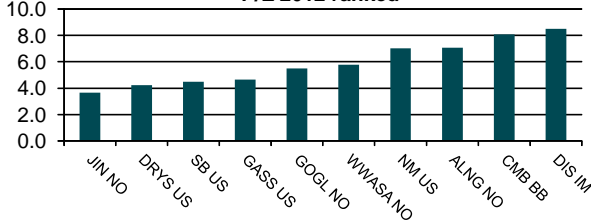
Dividend yield 2012 ranked



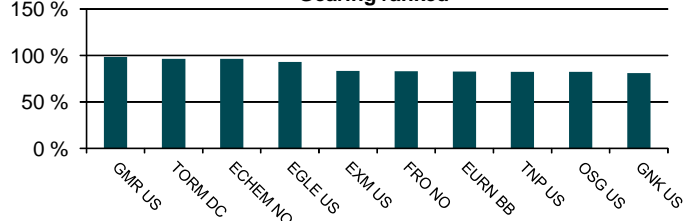
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS



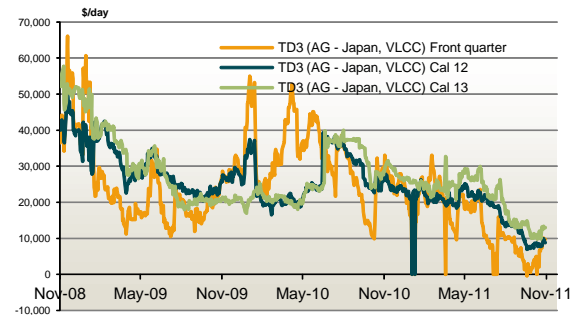
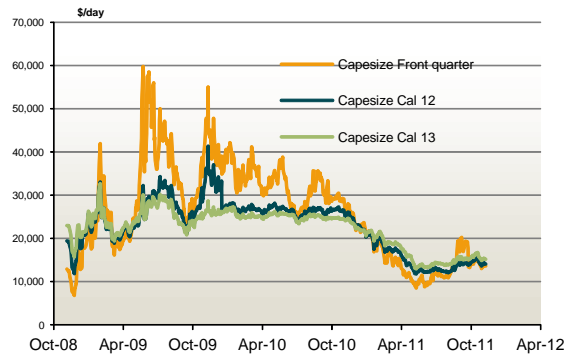
## Currencies

	Today	Previous	Change
EURUSD	1.3609	1.3633	-0.2 %
EURJPY	104.78	105.07	-0.3 %
USDJPY	76.99	77.07	-0.1 %
USDKRW	1,126.2	1,123.3	0.3 %
USDCNY	6.3465	6.3551	-0.1 %
USDNOK	5.7219	5.7172	0.1 %



## FFAs

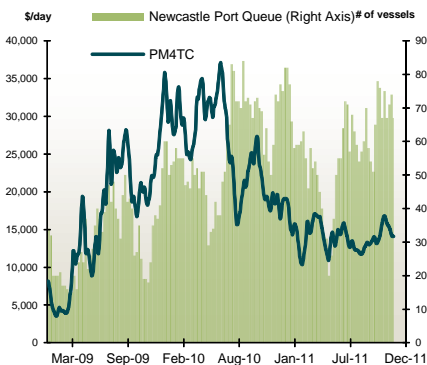
	Today	Previous	Change
Capesize Front quarter	13,692	13,842	-1.1 %
Capesize Cal 12	14,106	14,183	-0.5 %
Capesize Cal 13	15,229	15,300	-0.5 %
	(\$/day)	(\$/day)	
Panamax Front quarter	11,807	11,721	0.7 %
Panamax Cal 12	11,780	11,711	0.6 %
Panamax Cal 13	12,293	12,225	0.6 %
Supramax Front quarter	12,158	11,960	1.7 %
PM4TC Cal 12	12,108	11,941	1.4 %
PM4TC Cal 13	12,325	12,160	1.4 %
TD3 (AG - Japan, VLCC) Front quarter	9,659	9,654	0.1 %
TD3 (AG - Japan, VLCC) Cal 12	8,761	9,398	-6.8 %
TD3 (AG - Japan, VLCC) Cal 13	13,004	12,817	1.5 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	11,278	11,095	1.6 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	10,954	10,817	1.3 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	15,668	15,600	0.4 %
TC2 (ARA - USEC, MR) Front quarter	8,817	8,939	-1.4 %
TC2 (ARA - USEC, MR) Cal 12	8,646	8,752	-1.2 %
TC2 (ARA - USEC, MR) Cal 13	9,965	9,974	-0.1 %



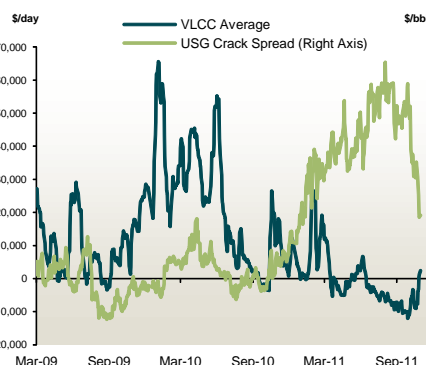
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

## Selected Indicators

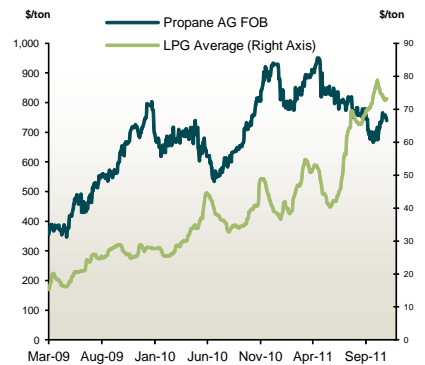
### Dry Bulk



### Tanker



### Gas



Source: Bloomberg / Lorentzen & Stemoco AS





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# General Disclaimer



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