



Lorentzen & Stemoco

Joint Shipping Service Morning Report



November 16, 2011

Dry Bulk Market

	Today	Previous	Change	Change YTD
Average TCEs				
Capesize (\$/day)	\$27,433	\$26,650	2.9 %	46.7 %
Panamax (\$/day)	\$14,147	\$14,095	0.4 %	-1.2 %
Supramax (\$/day)	\$14,053	\$13,864	1.4 %	-5.4 %
BDI	1,846	1,818	1.5 %	9.0 %
Dry Commodities				
India Iron Ore China Landed 63% Fe (\$/ton)	\$143	\$143	0.0 %	-18.8 %
China Average HR Sheet (\$/ton)	\$672	\$670	0.3 %	-3.6 %
Amsterdam Coal API#2 (\$/ton)	\$114.80	\$115.10	-0.3 %	-8.9 %
Red Hard Wheat KCBT (\$/bushel)	\$6.83	\$6.70	1.9 %	-12.2 %

According to Reuters, BHP Billiton has approved USD 822 million in capital spending to dig a new iron ore mine in Australia capable of yielding 17 million tonnes of ore a year starting in mid-2012. Development of its Orebody 24 deposit would help maintain production rates at the company's operations in Western Australia state's Pilbara iron belt, BHP said on Wednesday. BHP is Australia's second largest iron ore company behind Rio Tinto. Both companies hold long-term supply contracts with steel mills across Asia, the bulk in China. Orebody 24 is a small satellite mine to the massive Mt Whaleback operation -- the biggest single-pit open-cut iron ore mine in the world at more than 5 km long and nearly 1.5 km wide

Tanker Market

	Today	Previous	Change	Change YTD
Average TCEs				
VLCC TD3 MEG-Japan (\$/day)	\$14,463	\$12,200	18.5 %	-10.7 %
Suez Average (\$/day)	\$6,987	\$7,669	-8.9 %	-67.2 %
Aframax Average (\$/day)	\$1,892	\$1,338	41.4 %	-79.9 %
MR Average (\$/day)	\$9,180	\$9,355	-1.9 %	-11.8 %
Oil Commodities				
Brent Front Month (\$/bbl)	\$112.08	\$112.39	-0.3 %	18.2 %
WTI Front Month (\$/bbl)	\$99.37	\$98.14	1.3 %	8.2 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0.40	-\$0.21	-90.5 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	\$14.92	-\$3.29	\$18.2	-

Enbridge Inc may increase the size of its proposed 800,000 barrels-per-day (bpd) Wrangler crude oil pipeline running from Cushing, OK to Port Arthur, TX, after the United States postponed approval of rival TransCanada's Keystone XL Canada-to-Texas line, an Enbridge executive said on Tuesday. Signs that customers who were counting on TransCanada's line may be abandoning the \$7 billion project - after the State Department ordered a new environmental review - will lend credence to some analysts' expectations that the project may now be dead, a major blow to Canada's oil sands ambitions, writes Reuters

Gas Market

	Today	Previous	Change	Change YTD
Freight Rates				
LPG Average (\$/ton)	73.31	73.19	0.2 %	91.4 %
Gas Commodities				
Propane AG Spot (\$/ton)	728.00	740.00	-1.6 %	-20.3 %
Butane AG Spot (\$/ton)	768.00	785.00	-2.2 %	-14.5 %
Natural Gas (\$/MMBTU)	3.13	3.14	-0.3 %	-31.1 %
Bunkers				
380 cSt Fujairah	708.50	705.50	0.4 %	36.4 %
380 cSt Rotterdam	667.50	667.50	0.0 %	35.4 %
380 cSt Houston	676.50	679.50	-0.4 %	35.4 %

Sempra Energy has become the sixth US company, and fourth in the US Gulf, with formal intentions to export US natural gas as LNG, having filed a request with US regulators on Thursday to send out 12 million tonnes per annum (mtpa) from its existing Cameron LNG site. The California-based company asked the US Department of Energy (DOE) for consent to send up to 1.7 billion cubic feet (bcf)/day (0.05 million cubic metres/day) to free-trade-friendly countries for 20 years. Sempra said the Thursday document was the first in a two-part process, with a request to export to non-free-trade nations to follow. Sempra's export intention brings the total amount of conceived large-scale liquefaction in the lower 48 US states to more than 67mtpa

Source: Bloomberg / Lorentzen & Stemoco AS

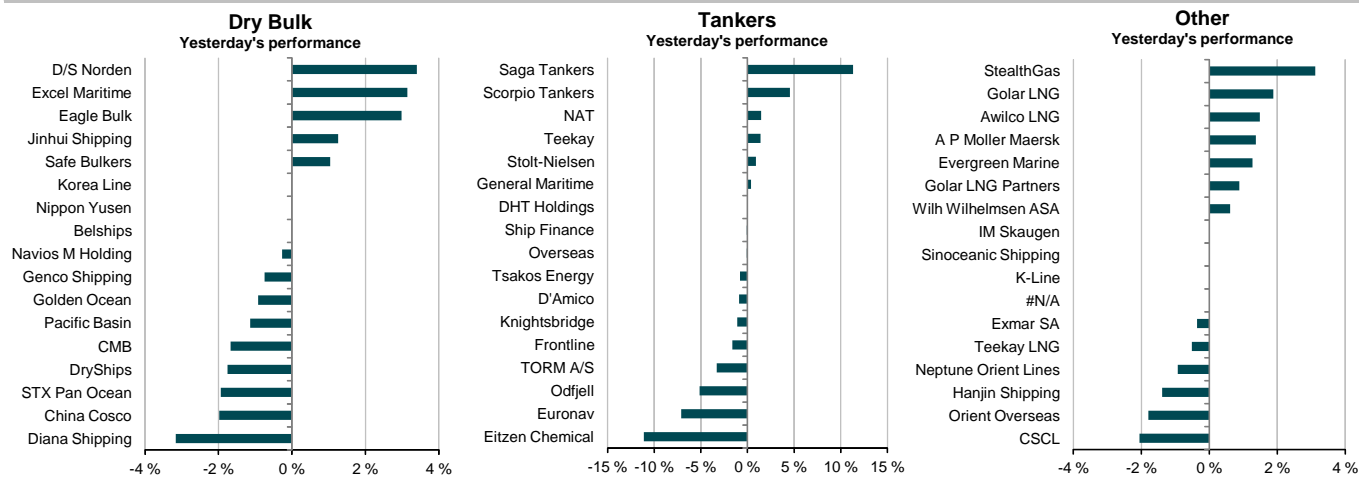
Shipping Equities

Selected news:

Eitzen Chemical (Neutral, tp NOK 0.15/share) has announced the resignation of CEO Terje Askvig and CFO Per-Hermund Rasmussen. No further comments were given. COO Per Sylvestre Jensen has been promoted to President and CEO. Mr Jensen joined EICHEM in 2008 and has previously worked for Clarkson, Frontline, Odfjell and Bulk Trading Group.

DS Norden (Buy, tp DKK 200) reported an EBITDA of \$36m for the third quarter. Its dry bulk and tanker divisions contributed with EBITDAs of \$35m and \$3m respectively. The company reported a net loss of \$21m, however adjusting for losses on hedging instruments we calculate and adjusted net profit of \$13m which was \$4m below our estimate. The company raises its guidance towards full-year results due to prospects of a solid fourth quarter as both dry bulk and product tanker rates have shown a steady development. DNORD now expects a full-year EBITDA of \$160-180m.

Golden Ocean Group (Buy, tp NOK 6/share) reports its 3Q11 results on Friday, November 18. We expect the company to report an EBIT of \$22m which is down from \$25m in the second quarter due to charter rate adjustments and a lower contribution from its trading activities. The net result for the period is expected to be \$12m.



Source: First Securities AS / ICE FactSet / Bloomberg / TradeWinds / Lloyd's List / Fairplay



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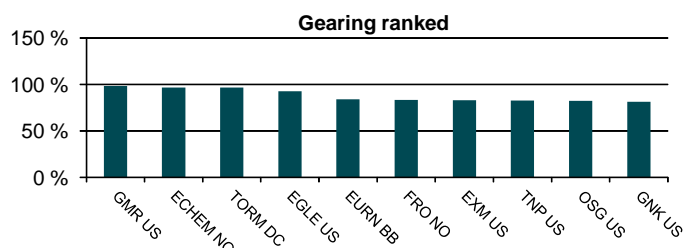
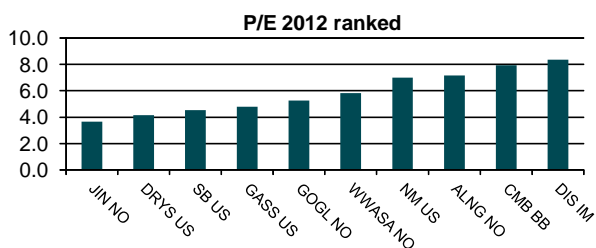
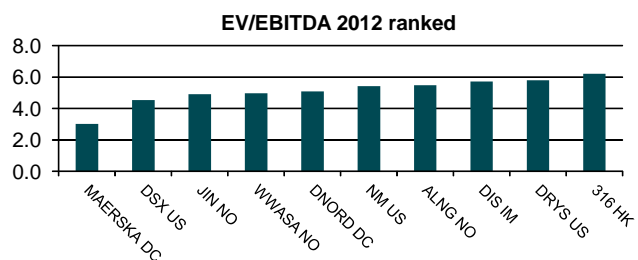
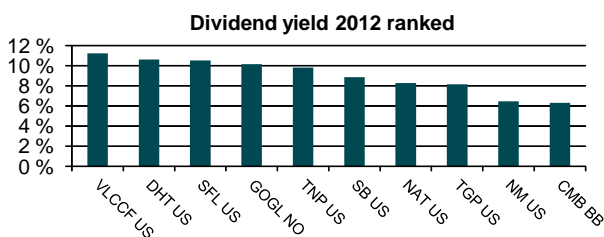
Shipping Equities



Dry bulk		(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing	
Company	Ticker	Last	1d	1w	1m	YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Golden Ocean	GOGL NO	4.54	-0.9 %	7 %	-3 %	-44 %	360	5.6	5.3	7.5	6.9	13 %	10 %	61 %	
Jinhui Shipping	JIN NO	12.05	1.3 %	4 %	-11 %	-38 %	176	1.7	3.7	3.8	4.9	0 %	0 %	67 %	
CMB	CMB BB	15.88	-1.7 %	-1 %	-12 %	-31 %	752	7.2	7.9	7.6	7.6	6 %	6 %	53 %	
DryShips	DRYS US	2.80	-1.8 %	0 %	2 %	-47 %	1,146	6.3	4.1	8.5	5.8	0 %	0 %	76 %	
Diana Shipping	DSX US	8.27	-3.2 %	4 %	-2 %	-29 %	683	6.3	10.3	3.8	4.5	0 %	0 %	Neg.	
Genco Shipping	GNK US	9.29	-0.7 %	8 %	0 %	-35 %	334	13.2	na	7.2	9.0	0 %	0 %	81 %	
Navios M Holding	NM US	3.71	-0.3 %	3 %	-4 %	-30 %	377	6.8	7.0	5.9	5.4	6 %	6 %	75 %	
Excel Maritime	EXM US	2.30	3.1 %	4 %	-24 %	-59 %	197	na	na	8.0	11.3	0 %	0 %	83 %	
Eagle Bulk	EGLE US	1.38	3.0 %	5 %	-19 %	-72 %	86	na	na	11.4	9.4	0 %	0 %	93 %	
Safe Bulkers	SB US	6.78	1.0 %	2 %	3 %	-23 %	481	4.5	4.5	6.8	6.3	9 %	9 %	47 %	
Korea Line	005880 KS	7,500	0.0 %	0 %	-25 %	-71 %	108	na	na	na	na	na	na	na	
STX Pan Ocean	STX SP	7.60	-1.9 %	-6 %	-12 %	-42 %	1,209	na	na	na	na	0 %	0 %	68 %	
Nippon Yusen	9101 JP	175	0.0 %	-6 %	-15 %	-51 %	3,867	na	15.2	9.9	8.7	2 %	2 %	75 %	
Pacific Basin	2343 HK	3.48	-1.1 %	-3 %	-3 %	-33 %	866	na	14.9	7.4	6.8	2 %	3 %	21 %	
Belships	BEL NO	5.68	0.0 %	-3 %	-5 %	-22 %	25	na	na	na	na	na	na	na	
China Cosco	1919 HK	3.96	-2.0 %	-5 %	-5 %	-52 %	9,193	na	na	na	na	0 %	0 %	31 %	
D/S Nordco	DNORD DC	155	3.4 %	5 %	-3 %	-23 %	1,212	12.0	16.7	5.2	5.1	4 %	3 %	Neg.	
Market cap weighted average			-1.0 %	-2.9 %	-6.7 %	-45.7 %		7.8	11.8	7.9	7.2	2 %	1 %		

Tankers		(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing	
Company	Ticker	Last	1d	1w	1m	YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Frontline	FRO NO	34	-1.6 %	18 %	15 %	-78 %	455	na	na	12.9	11.9	3 %	1 %	83 %	
Ship Finance	SFL US	14.81	-0.1 %	4 %	5 %	-31 %	1,172	8.9	9.0	14.3	12.8	11 %	11 %	63 %	
Euronav	EURN BB	3.39	-7.1 %	5 %	-19 %	-73 %	237	na	na	9.8	11.5	0 %	0 %	84 %	
General Maritime	GMR US	0.18	0.4 %	6 %	-45 %	-94 %	22	na	na	na	na	0 %	0 %	98 %	
Teekay	TK US	28.12	1.4 %	8 %	12 %	-15 %	1,968	na	na	10.8	8.7	5 %	5 %	72 %	
Overseas	OSG US	14.34	-0.1 %	13 %	-6 %	-60 %	437	na	na	na	16.5	9 %	6 %	82 %	
NAT	NAT US	14.48	1.5 %	5 %	-2 %	-44 %	684	na	na	na	19.7	8 %	8 %	21 %	
Tsakos Energy	TNP US	6.11	-0.8 %	1 %	3 %	-39 %	282	na	na	13.1	10.0	10 %	10 %	83 %	
Saga Tankers	SAGA NO	1.67	11.3 %	8 %	39 %	-70 %	25	na	na	na	6.4	0 %	0 %	19 %	
Knightsbridge	VLCCF US	17.83	-1.1 %	3 %	3 %	-20 %	436	13.0	14.3	8.4	8.4	11 %	11 %	16 %	
DHT Holdings	DHT US	1	0.0 %	-6 %	-41 %	-76 %	71	4.7	14.1	6.0	6.7	23 %	11 %	78 %	
Odfjell	ODF NO	33.20	-5.1 %	-8 %	-10 %	-39 %	501	na	na	9.9	8.3	3 %	3 %	67 %	
TORM A/S	TORM DC	4.84	-3.3 %	-8 %	-28 %	-88 %	64	na	na	na	13.3	0 %	0 %	97 %	
Stolt-Nielsen	SNI NO	112.00	0.9 %	2 %	4 %	-21 %	1,247	12.4	8.6	8.5	7.2	5 %	5 %	54 %	
Eitzen Chemical	ECHEM NO	0.16	-11.1 %	-6 %	33 %	-91 %	31	na	na	na	na	0 %	0 %	97 %	
Scorpio Tankers	STNG US	6.89	4.6 %	19 %	16 %	-32 %	125	na	na	19.2	17.7	0 %	0 %	46 %	
D'Amico	DIS IM	0.55	-0.9 %	5 %	-14 %	-44 %	111	na	8.3	10.8	5.7	0 %	1 %	73 %	
Market cap weighted average			-0.1 %	5.2 %	3.3 %	-34.0 %		10.9	9.7	11.1	10.9	6 %	6 %		

Other		(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing	
Company	Ticker	Last	1d	1w	1m	YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Golar LNG	GOL NO	243.00	1.9 %	10 %	24 %	172 %	3,367	na	na	na	14.4	3 %	3 %	21 %	
Golar LNG Partners	GLMP US	28.67	0.9 %	2 %	11 %	na	1,120	19.3	15.3	13.1	10.7	5 %	6 %	34 %	
Höegh LNG Holdings	HLNG NO	41.50	0.0 %	3 %	9 %	na	326	na	na	na	na	0 %	0 %	48 %	
IM Skaugen	IMSK NO	28.90	0.0 %	0 %	0 %	-22 %	136	na	16.2	18.8	9.8	0 %	0 %	50 %	
Exmar SA	EXM BB	5.50	-0.4 %	1 %	26 %	2 %	443	na	10.7	10.8	8.2	5 %	3 %	67 %	
Teekay LNG	TGP US	33	-0.5 %	4 %	-5 %	-13 %	2,144	18.5	15.3	13.5	11.7	8 %	8 %	42 %	
StealthGas	GASS US	3.97	3.1 %	-1 %	-2 %	-50 %	84	6.0	4.8	na	na	na	na	na	
Awilco LNG	ALNG NO	20.50	1.5 %	-7 %	17 %	na	241	na	7.2	na	5.5	0 %	0 %	Neg.	
A P Moller Maersk	MAERSKA DC	34,100.00	1.4 %	4 %	-1 %	-31 %	27,944	11.6	10.8	3.0	3.0	3 %	3 %	35 %	
Evergreen Marine	EVGZF US	15.90	1.3 %	-1 %	-5 %	-42 %	1,829	na	na	na	11.3	0 %	0 %	30 %	
Sinocean Shipping	SINO NO	6	0.0 %	0 %	-3 %	-26 %	15	na	na	na	na	na	na	na	
Hanjin Shipping	000700 KS	7,830	-1.4 %	-5 %	2 %	-58 %	304	na	na	na	na	na	na	na	
K-Line	9107 JP	137.00	0.0 %	-4 %	-12 %	-62 %	1,363	na	na	na	14.0	0 %	0 %	81 %	
CSC	2866 HK	1.43	-2.1 %	-4 %	3 %	-58 %	5,447	na	na	na	na	0 %	0 %	20 %	
Orient Overseas	316 HK	35.65	-1.8 %	-4 %	2 %	-41 %	2,867	15.6	12.4	7.2	6.2	2 %	2 %	16 %	
Neptune Orient Lines	NOL SP	1.07	-0.9 %	-2 %	-9 %	-51 %	2,128	na	na	na	10.4	0 %	0 %	36 %	
With Wilhelmsen ASA	WWASA NO	33	0.6 %	4 %	17 %	-23 %	1,249	8.4	5.8	5.8	5.0	3 %	3 %	48 %	
Market cap weighted average			0.6 %	2.2 %	1.6 %	-21.5 %		12.5	11.2	4.5	5.8	2 %	3 %		



Source: JCF FactSet / First Securities AS





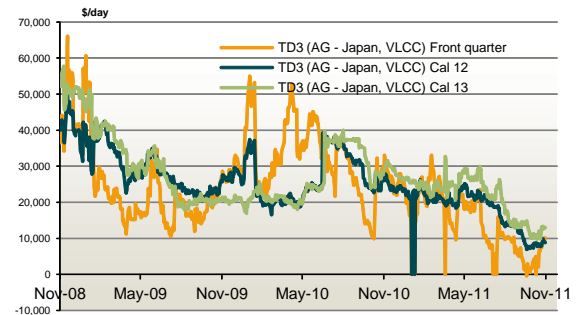
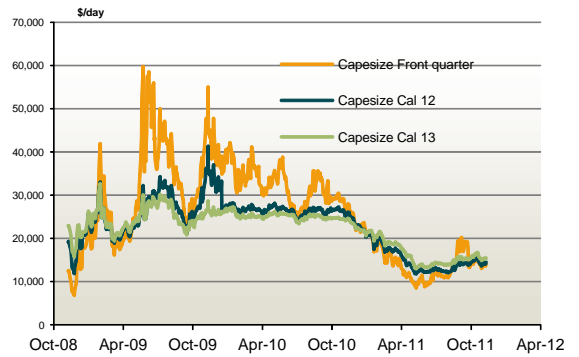
Currencies

	Today	Previous	Change
EURUSD	1.3506	1.3539	-0.2 %
EURJPY	103.97	104.3	-0.3 %
USDJPY	76.98	77.03	-0.1 %
USDKRW	1,136.6	1,126.2	0.9 %
USDCNY	6.3451	6.347	0.0 %
USDNOK	5.7635	5.7483	0.3 %



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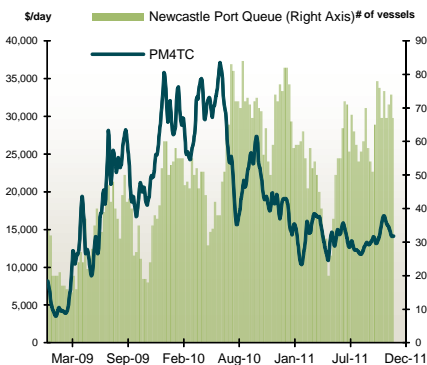
	Today	Previous	Change
Capesize Front quarter	14,133	13,692	3.2 %
Capesize Cal 12	14,531	14,106	3.0 %
Capesize Cal 13	15,500	15,229	1.8 %
	(\$/day)	(\$/day)	
Panamax Front quarter	11,914	11,807	0.9 %
Panamax Cal 12	11,894	11,780	1.0 %
Panamax Cal 13	12,339	12,293	0.4 %
Supramax Front quarter	12,450	12,158	2.4 %
PM4TC Cal 12	12,315	12,108	1.7 %
PM4TC Cal 13	12,420	12,325	0.8 %
TD3 (AG - Japan, VLCC) Front quarter	10,144	9,659	5.0 %
TD3 (AG - Japan, VLCC) Cal 12	8,836	8,761	0.9 %
TD3 (AG - Japan, VLCC) Cal 13	13,020	13,004	0.1 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	12,722	11,278	12.8 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	11,563	10,954	5.6 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	15,633	15,668	-0.2 %
TC2 (ARA - USEC, MR) Front quarter	8,512	8,817	-3.5 %
TC2 (ARA - USEC, MR) Cal 12	8,594	8,646	-0.6 %
TC2 (ARA - USEC, MR) Cal 13	9,941	9,965	-0.2 %



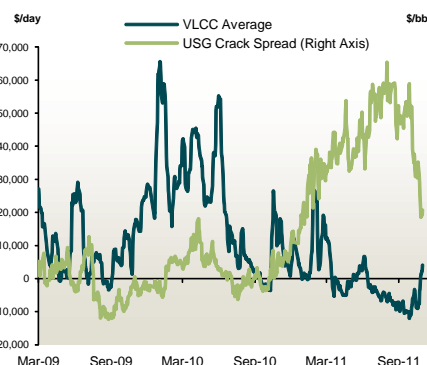
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Selected Indicators

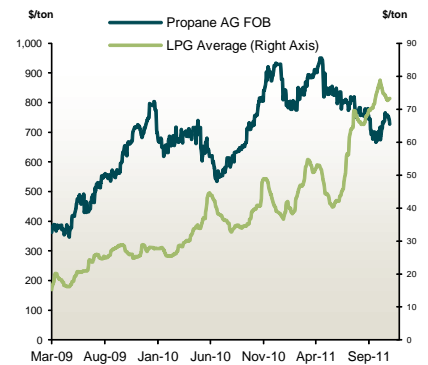
Dry Bulk



Tanker



Gas



Source: Bloomberg / Lorentzen & Stemoco AS





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