



Lorentzen & Stemoco

Joint Shipping Service Morning Report



October 19, 2011

Dry Bulk Market

	Today	Previous	Change	Change YTD
Average TCEs				
Capesize (\$/day)	\$29,669	\$30,618	-3.1 %	58.7 %
Panamax (\$/day)	\$16,820	\$16,796	0.1 %	17.5 %
Supramax (\$/day)	\$16,807	\$16,788	0.1 %	13.1 %
BDI	2,136	2,160	-1.1 %	26.2 %
Dry Commodities				
India Iron Ore China Landed 63% Fe (\$/ton)	\$169	\$169	0.0 %	-3.7 %
China Average HR Sheet (\$/ton)	\$683	\$697	-2.0 %	-2.0 %
Amsterdam Coal API#2 (\$/ton)	\$116.15	\$118.00	-1.6 %	-7.8 %
Red Hard Wheat KCBT (\$/bushel)	\$6.82	\$6.79	0.4 %	-13.8 %

According to Reuters, miner BHP Billiton reported a 24 percent jump in quarterly iron ore production on Wednesday, its foot stuck firmly to the accelerator even as prices for the steel-making commodity slide and Chinese steel mills wind back output. BHP's iron ore production for the September quarter largely met market expectations, putting it on a record annual run rate of 173 million tonnes and mirroring ramp-ups from bigger rivals Rio Tinto Brazil's Vale... But with iron ore prices tumbling in recent weeks, there are question marks over the near-term outlook, given that the world's biggest iron ore consumer, China, is easing back on steel production as Beijing engineers a soft economic landing.

Tanker Market

	Today	Previous	Change	Change YTD
Average TCEs				
VLCC TD3 MEG-Japan (\$/day)	-\$2,155	-\$3,931	45.2 %	-113.3 %
Suez Average (\$/day)	\$40,561	\$39,470	2.8 %	90.3 %
Aframax Average (\$/day)	\$10,964	\$10,885	0.7 %	16.2 %
MR Average (\$/day)	\$8,492	\$8,723	-2.6 %	-18.4 %
Oil Commodities				
Brent Front Month (\$/bbl)	\$111.32	\$111.15	0.2 %	17.4 %
WTI Front Month (\$/bbl)	\$88.34	\$86.38	2.3 %	-3.4 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$1.21	-\$1.25	3.2 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	\$24.43	-\$2.96	\$27.4	-

Argentine biodiesel production will nearly triple by 2015 to 7 million tons per year, an executive at one of the country's leading agro-industrial companies told Reuters on Tuesday. Argentina is one of the world's biggest exporters of biodiesel, producing the fuel from ample supplies of soybean oil, and production has skyrocketed in recent years. Such development would increase product tanker shipping enquiries

Gas Market

	Today	Previous	Change	Change YTD
Freight Rates				
LPG Average (\$/ton)	78.81	78.25	0.7 %	105.7 %
Gas Commodities				
Propane AG Spot (\$/ton)	675.00	717.50	-5.9 %	-26.1 %
Butane AG Spot (\$/ton)	750.00	797.50	-6.0 %	-16.5 %
Natural Gas (\$/MMBTU)	3.63	3.72	-2.4 %	-20.0 %
Bunkers				
380 cSt Fujairah	675.50	672.00	0.5 %	30.0 %
380 cSt Rotterdam	646.50	645.50	0.2 %	31.1 %
380 cSt Houston	647.00	644.50	0.4 %	29.5 %

Natural gas declined the most in a month in New York on speculation that stockpiles will approach a record as mild weather limits demand for the heating fuel. Gas futures dropped 3.7 percent as an Energy Department report last week showed inventories may rise to 3.77 trillion by Nov. 1, near a record 3.84 trillion last year, Bloomberg data show. Supplies may have risen 112 billion cubic feet last week, up from a five-year average gain of 58 billion, according to the median of five analyst estimates compiled by Bloomberg

Source: Bloomberg / Lorentzen & Stemoco AS

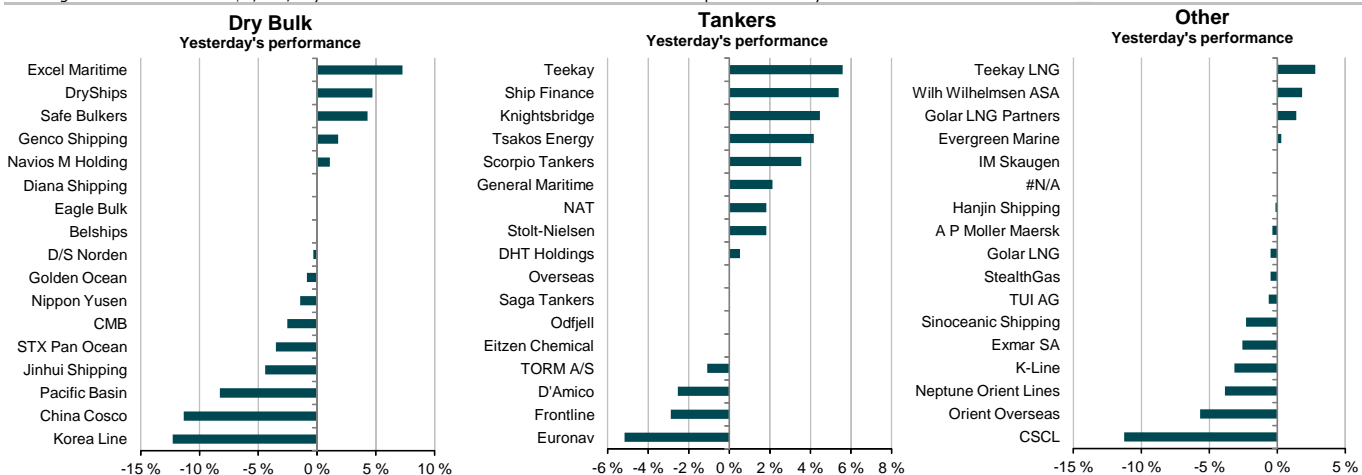
Shipping Equities

Selected news:

Euronav yesterday reported its 3Q11 results. The company said in its report that its VLCCs trading in the Tankers International (TI) pool made only \$11,500/day in the third quarter while its spot-trading Suezmaxes were reported to have sailed in \$15,100/day in the same period. The TI pool earnings gives a good indication of what can be expected from Frontline and given our TCE estimates, that is in line with the TI results, we expect FRO to report an EBITDA of \$36m for the third quarter and a net loss of \$45m. The market has softened further in 4Q11 and Euronav said that TI pool earnings has been as low as \$7,500/day so far.

Golden Ocean (Buy, tp NOK 6.5/share) has fixed its Kamsarmax Golden Eminence to Pacific Bulk for \$13,250/day, Tradewinds reported yesterday citing the Baltic Exchange. The Eminence was formerly on charter to Korea Line for \$26,600/day, but was cut loose when the Korean operator defaulted earlier this year. In our opinion, the rate is in line with what can be expected in today's market.

Qatar Gas Transport Company (Nakilat) reported a net profit of QAR 243.6m (\$67m) in the third quarter: up 41.6% from the same period one year earlier. The improvement was driven by a 13% rise in revenues from its 25 wholly owned LNG carriers.



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



Lorentzen & Stemoco

Shipping Equities



Dry bulk

Company	Ticker	(Local curr) Last	Performance				(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing	
			1d	1w	1m	YTD		11	12	11	12	11	12	Net debt/EV	
Golden Ocean	GOGL NO	4.54	-0.9 %	0 %	1 %	-44 %	373	5.9	5.7	7.8	7.3	12 %	10 %	60 %	
Jinhui Shipping	JIN NO	13.00	-4.4 %	11 %	12 %	-33 %	204	1.9	4.0	3.7	5.0	0 %	0 %	64 %	
CMB	CMB BB	17.36	-2.5 %	0 %	-8 %	-25 %	831	8.3	9.1	8.2	7.6	6 %	6 %	52 %	
DryShips	DRYS US	2.55	4.7 %	3 %	-15 %	-50 %	1,041	5.8	3.8	8.3	5.6	0 %	0 %	78 %	
Diana Shipping	DSX US	8.11	0.0 %	0 %	-7 %	-30 %	670	6.2	10.1	3.9	4.4	0 %	0 %	Neg.	
Genco Shipping	GNK US	8.96	1.8 %	8 %	16 %	-37 %	322	16.3	na	7.5	9.2	0 %	0 %	82 %	
Navios M Holding	NM US	3.71	1.1 %	9 %	-1 %	-30 %	377	6.4	6.8	5.9	5.4	6 %	6 %	75 %	
Excel Maritime	EXM US	2.81	7.3 %	4 %	13 %	-50 %	241	na	na	7.9	10.8	0 %	0 %	80 %	
Eagle Bulk	EGLE US	1.61	0.0 %	-2 %	-22 %	-68 %	101	na	na	11.2	9.3	0 %	0 %	92 %	
Safe Bulkers	SB US	6.57	4.3 %	4 %	-3 %	-26 %	466	4.4	4.4	6.7	6.2	9 %	9 %	48 %	
Korea Line	005880 KS	7,500	-12.3 %	-18 %	-25 %	-71 %	106	na	na	na	na	na	na	na	
STX Pan Ocean	STX SP	8.30	-3.5 %	-2 %	-5 %	-37 %	1,344	na	na	na	19.5	0 %	0 %	64 %	
Nippon Yusen	9101 JP	205	-1.4 %	1 %	-12 %	-43 %	4,542	na	12.0	9.9	7.7	2 %	2 %	71 %	
Pacific Basin	2343 HK	3.55	-8.3 %	3 %	8 %	-31 %	884	na	16.3	7.3	6.9	2 %	3 %	20 %	
Belships	BEL NO	6.00	0.0 %	0 %	10 %	-17 %	26	na	na	na	na	na	na	na	
China Cosco	1919 HK	4.32	-11.3 %	1 %	1 %	-54 %	11,280	na	na	na	17.8	0 %	0 %	27 %	
D/S Nordco	DNORD DC	158	-0.3 %	1 %	0 %	-22 %	1,259	12.4	15.9	5.5	5.1	5 %	4 %	Neg.	
Market cap weighted average			-5.9 %	1.3 %	-2.6 %	-44.9 %		8.1	10.8	8.0	12.7	1 %	1 %		

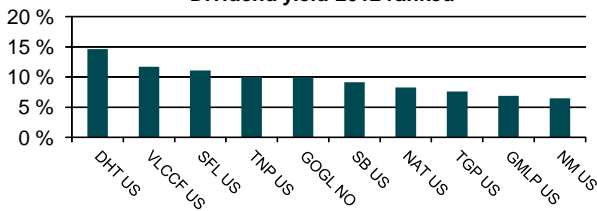
Tankers

Company	Ticker	(Local curr) Last	Performance				(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing	
			1d	1w	1m	YTD		11	12	11	12	11	12	Net debt/EV	
Frontline	FRO NO	30	-2.9 %	-12 %	-19 %	-81 %	410	na	na	11.8	11.1	3 %	2 %	85 %	
Ship Finance	SFL US	13.36	5.4 %	3 %	-1 %	-35 %	1,057	8.5	8.6	14.0	12.5	11 %	11 %	65 %	
Euronav	EURN BB	4.06	-5.2 %	-10 %	-27 %	-70 %	289	na	na	9.4	9.1	0 %	0 %	81 %	
General Maritime	GMR US	0.28	2.1 %	-26 %	-10 %	-91 %	34	na	na	na	18.4	0 %	0 %	97 %	
Teekay	TK US	24.51	5.6 %	8 %	-2 %	-22 %	1,716	na	na	10.3	8.1	5 %	5 %	74 %	
Overseas	OSG US	14.64	0.0 %	-6 %	-17 %	-59 %	446	na	na	na	11.5	9 %	6 %	82 %	
NAT	NAT US	14.24	1.8 %	1 %	-15 %	-44 %	672	na	na	na	15.6	8 %	8 %	16 %	
Tsakos Energy	TNP US	5.77	4.2 %	3 %	-1 %	-40 %	266	na	na	13.1	9.5	10 %	10 %	83 %	
Saga Tankers	SAGA NO	1.50	0.0 %	-25 %	-30 %	-73 %	23	na	na	3.9	8.0	0 %	0 %	63 %	
Knightsbridge	VLCFF US	16.35	4.5 %	1 %	-2 %	-23 %	399	12.2	12.3	8.0	7.8	12 %	12 %	17 %	
DHT Holdings	DHT US	2	0.5 %	-1 %	-22 %	-59 %	119	7.9	na	6.8	6.8	18 %	15 %	67 %	
Odfjell	ODF NO	37.00	0.0 %	1 %	7 %	-31 %	566	na	na	9.5	8.0	0 %	4 %	67 %	
TORM A/S	TORM DC	6.89	-1.1 %	6 %	-21 %	-83 %	93	na	na	na	11.7	0 %	0 %	95 %	
Stolt-Nielsen	SNI NO	112.00	1.8 %	-2 %	-7 %	-21 %	1,271	12.5	7.9	8.5	7.0	5 %	5 %	53 %	
Eitzen Chemical	ECEM NO	0.11	0.0 %	-21 %	-35 %	-94 %	22	na	na	na	19.5	0 %	0 %	98 %	
Scorpio Tankers	STNG US	5.55	3.5 %	-4 %	-7 %	-45 %	100	na	na	12.9	10.9	0 %	0 %	57 %	
D'Amico	DIS IM	0.62	-2.5 %	-4 %	1 %	-37 %	126	na	9.5	12.5	6.9	0 %	1 %	70 %	
Market cap weighted average			2.5 %	0.5 %	-6.6 %	-36.6 %		10.8	8.8	10.5	9.7	6 %	6 %		

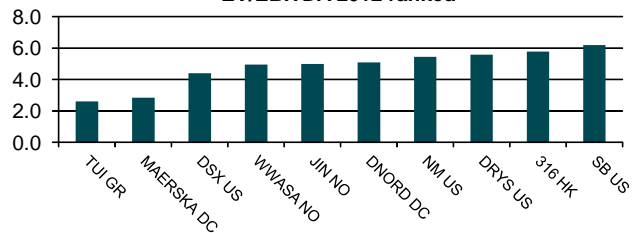
Other

Company	Ticker	(Local curr) Last	Performance				(mUSD) M cap	P/E		EV/EBITDA		Yield		Gearing	
			1d	1w	1m	YTD		11	12	11	12	11	12	Net debt/EV	
Golar LNG	GOL NO	202.50	-0.5 %	4 %	11 %	126 %	2,880	na	17.6	19.6	13.3	3 %	3 %	23 %	
Golar LNG Partners	GMLP US	25.40	1.4 %	-2 %	-2 %	na	993	17.5	14.0	10.9	10.0	5 %	7 %	27 %	
Höegh LNG Holdings	HLNG NO	40.30	0.0 %	1 %	-4 %	na	323	na	na	na	na	0 %	0 %	49 %	
IM Skaugen	IMSK NO	28.80	0.0 %	0 %	0 %	-22 %	138	na	16.4	19.0	9.9	0 %	0 %	50 %	
Exmar SA	EXM BB	4.19	-2.6 %	-2 %	4 %	-22 %	341	na	9.7	9.0	7.0	6 %	4 %	71 %	
Teekay LNG	TGP US	35	2.8 %	4 %	8 %	-7 %	2,083	19.6	16.5	13.3	11.6	7 %	8 %	43 %	
StealthGas	GASS US	4.00	-0.5 %	0 %	-5 %	-50 %	84	6.1	4.8	na	na	na	na	na	
A P Moller Maersk	MAERSKA DC	33,560.00	-0.4 %	0 %	3 %	-32 %	27,684	9.9	8.9	2.8	2.8	3 %	3 %	34 %	
TUI AG	TUI GR	4.50	-0.6 %	-5 %	4 %	-57 %	1,550	12.2	8.1	3.1	2.6	0 %	0 %	62 %	
Evergreen Marine	EVGZF US	17.10	0.3 %	9 %	9 %	-38 %	1,971	na	na	16.7	9.9	1 %	1 %	28 %	
Sinoceanic Shipping	SINO NO	6	-2.3 %	-9 %	-20 %	-25 %	15	na	na	na	na	na	na	na	
Hanjin Shipping	000700 KS	7,800	-0.1 %	4 %	-29 %	-58 %	298	na	na	na	na	na	na	na	
K-Line	9107 JP	154.00	-3.1 %	-3 %	-17 %	-57 %	1,536	na	17.1	18.6	8.7	0 %	1 %	79 %	
CSC	2866 HK	1.34	-11.3 %	-2 %	-14 %	-61 %	4,980	na	na	na	19.6	0 %	0 %	19 %	
Orient Overseas	316 HK	34.10	-5.7 %	-1 %	-3 %	-44 %	2,744	10.6	9.9	6.4	5.8	2 %	3 %	17 %	
Neptune Orient Lines	NOL SP	1.13	-3.8 %	-4 %	0 %	-48 %	2,288	na	na	17.3	8.3	0 %	1 %	33 %	
With Wilhelmsen ASA	WWASA NO	28	1.8 %	2 %	-2 %	-34 %	1,078	7.3	5.2	6.0	4.9	4 %	4 %	54 %	
Market cap weighted average			-1.7 %	-0.2 %	0.7 %	-27.9 %		10.7	10.3	6.8	6.6	2 %	3 %		

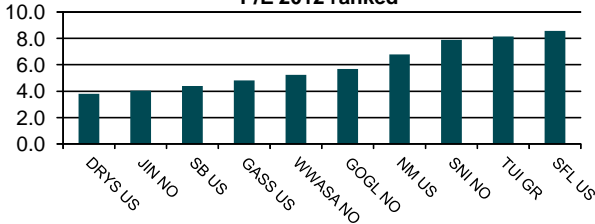
Dividend yield 2012 ranked



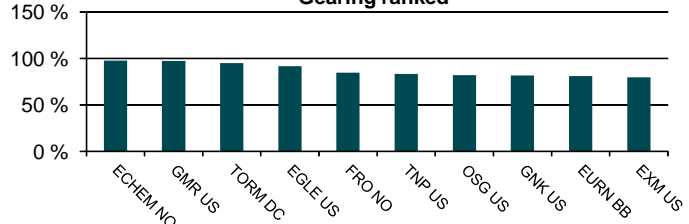
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS



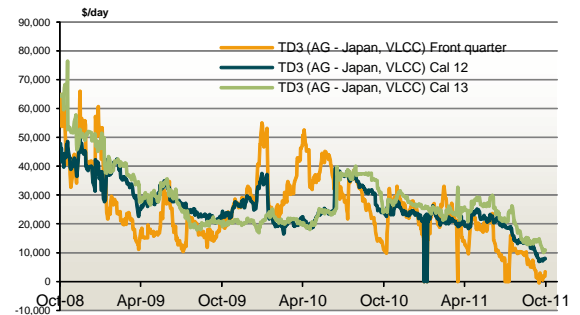
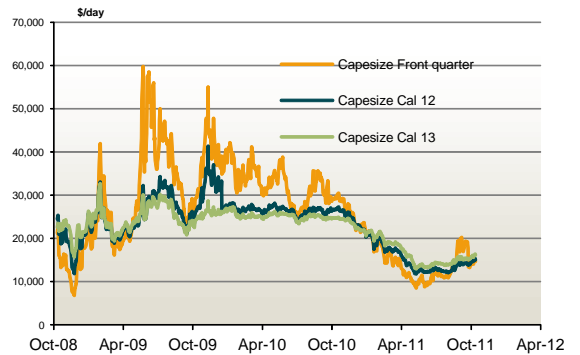
Currencies

	Today	Previous	Change
EURUSD	1.3812	1.3752	0.4 %
EURJPY	106.01	105.65	0.3 %
USDJPY	76.75	76.82	-0.1 %
USDKRW	1,132.3	1,145.7	-1.2 %
USDCNY	6.3831	6.3801	0.0 %
USDNOK	5.5946	5.6121	-0.3 %



FFAs

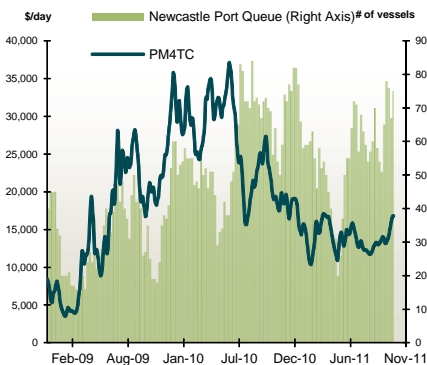
	Today	Previous	Change
Capesize Front quarter	14,725	15,058	-2.2 %
Capesize Cal 12	15,070	15,342	-1.8 %
Capesize Cal 13	16,200	16,363	-1.0 %
	(\$/day)	(\$/day)	
Panamax Front quarter	12,192	12,571	-3.0 %
Panamax Cal 12	12,192	12,421	-1.8 %
Panamax Cal 13	12,642	12,786	-1.1 %
Supramax Front quarter	13,050	13,458	-3.0 %
PM4TC Cal 12	12,713	12,788	-0.6 %
PM4TC Cal 13	12,958	13,042	-0.6 %
TD3 (AG - Japan, VLCC) Front quarter	3,353	1,907	75.8 %
TD3 (AG - Japan, VLCC) Cal 12	7,955	8,101	-1.8 %
TD3 (AG - Japan, VLCC) Cal 13	11,000	10,572	4.0 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	16,992	16,575	2.5 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	11,304	11,206	0.9 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	16,241	16,020	1.4 %
TC2 (ARA - USEC, MR) Front quarter	7,064	7,495	-5.8 %
TC2 (ARA - USEC, MR) Cal 12	8,753	8,808	-0.6 %
TC2 (ARA - USEC, MR) Cal 13	10,610	10,483	1.2 %



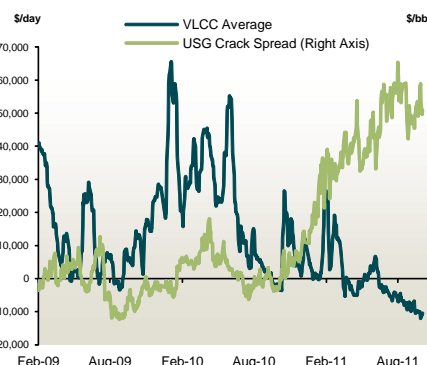
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

Selected Indicators

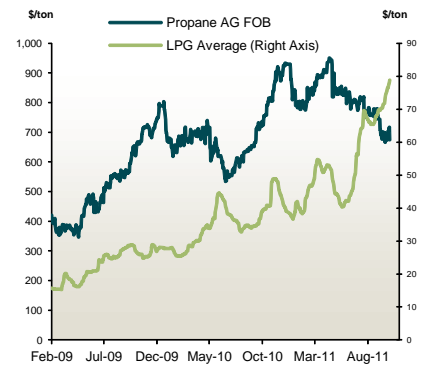
Dry Bulk



Tanker



Gas



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General Disclaimer



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