



Lorentzen & Stemoco

Joint Shipping Service Morning Report



December 19, 2011

Dry Bulk Market

	Today	Previous	Change	Change YTD
Average TCEs				
Capesize (\$/day)	\$31,480	\$31,457	0.1 %	68.4 %
Panamax (\$/day)	\$14,183	\$14,160	0.2 %	-0.9 %
Supramax (\$/day)	\$12,476	\$12,501	-0.2 %	-16.0 %
BDI	1,888	1,889	-0.1 %	11.5 %
Dry Commodities				
India Iron Ore China Landed 63% Fe (\$/ton)	\$144	\$144	0.0 %	-18.2 %
China Average HR Sheet (\$/ton)	\$666	\$666	0.0 %	-4.4 %
Amsterdam Coal API#2 (\$/ton)	\$109.85	\$109.85	0.0 %	-16.8 %
Red Hard Wheat KCBT (\$/bushel)	\$6.15	\$6.13	0.3 %	-20.8 %

According to Reuters, Russia won admission to the World Trade Organisation on Friday after 18 years of negotiations, finally gaining full integration into the global economy two decades after the Soviet Union collapsed. Russia's USD 1.9 trillion economy was the largest outside the WTO, and accession will help reduce the dependence on energy exports that left it badly exposed to the oil price collapse of 2008. Accession by Russia, with the second-largest nuclear arsenal after that of the United States, into a rules-based club should limit the danger of any repeat of regional conflicts like its 2008 war with Georgia. Trade conflicts have repeatedly exacerbated tensions between Moscow and the South Caucasus state and the WTO could offer a forum to address disputes before they escalate

Tanker Market

	Today	Previous	Change	Change YTD
Average TCEs				
VLCC TD3 MEG-Japan (\$/day)	\$13,290	\$11,810	12.5 %	-18.0 %
Suez Average (\$/day)	\$23,739	\$21,549	10.2 %	11.4 %
Aframax Average (\$/day)	\$15,256	\$15,546	-1.9 %	61.7 %
MR Average (\$/day)	\$14,241	\$12,084	17.9 %	36.8 %
Oil Commodities				
Brent Front Month (\$/bbl)	\$103.04	\$103.35	-0.3 %	8.6 %
WTI Front Month (\$/bbl)	\$93.53	\$93.87	-0.4 %	1.7 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0.59	-\$0.50	-18.0 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	-\$10.71	-\$12.77	\$2.1	-

Brent crude futures fell below \$103, as the prospect of rising tension on the Korean peninsula following the death of North Korean leader Kim Jong-il pushed the U.S. dollar higher, making dollar-denominated oil more expensive, writes Reuters. "In light of uncertainties about what would follow after his death and what implications it would have on Asia, the initial reaction is to seek safe-haven in the dollar," said Takao Hattori, an analyst with Mitsubishi UFJ Morgan Stanley Securities in Tokyo. Meanwhile MR product tanker rates in the Atlantic basin firmed considerably on Friday with the benchmark cross Atlantic rates quoted at USD 17000 day, a rate not seen since May of last spring

Gas Market

	Today	Previous	Change	Change YTD
Freight Rates				
LPG Average (\$/ton)	52.13	52.63	-1.0 %	36.1 %
Gas Commodities				
Propane AG Spot (\$/ton)	764.50	770.00	-0.7 %	-16.3 %
Butane AG Spot (\$/ton)	819.50	825.00	-0.7 %	-8.7 %
Natural Gas (\$/MMBTU)	3.03	3.05	-0.7 %	-33.3 %
Bunkers				
380 cSt Fujairah	654.50	664.50	-1.5 %	26.0 %
380 cSt Rotterdam	605.50	634.50	-4.6 %	22.8 %
380 cSt Houston	617.50	638.50	-3.3 %	23.6 %

Norway exported 2,830,360 mt of LNG in January-November period, according to the trade statistics. LNG exports in January-November period rose 23%, compared with the same period last year, when the country exported 2,300,351 mt of LNG. Norway exports liquefied natural gas through Hammerfest LNG terminal, located on the island Melkøya. The Hammerfest LNG terminal has a design capacity of 4.2 million tons per annum (mtpa). Commissioned in 2007, it processes gas transported through 143-km pipeline from the subsea facilities on the Snøhvit and Albatross fields, which comprise the first offshore developments in the Barents Sea

Source: Bloomberg / Lorentzen & Stemoco AS

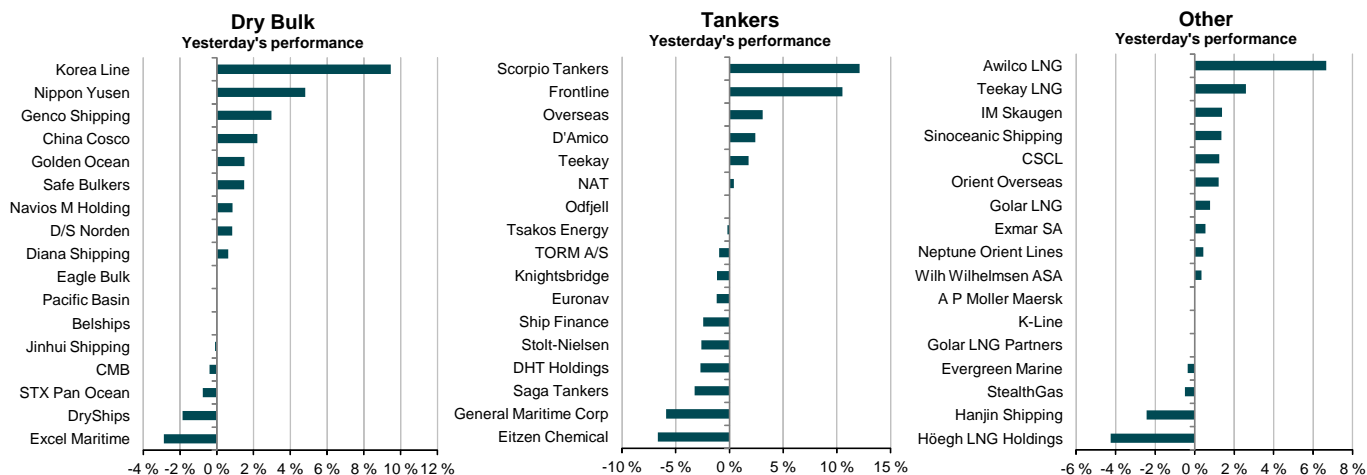
Shipping Equities

Selected news:

Following a New York ruling as of last Thursday, Oaktree will be installed as the de facto sole owner of a post-Chapter 11 General Maritime Corp, unless a rival bid emerges. Genmar and Oaktree at one hand, and the creditors committee, including \$300m bondholders, have been in a dispute over a number of matters since the company filed for Chapter 11 last month. The creditors committee has earlier opposed to the solution that Oaktree becomes the sole owner, however it now seems to have agreed. Further, the deadline to file the reorganisation plan has been pushed back two weeks to January 18. What happens to the \$300m in unsecured bonds remain to be seen.

Diana Shipping on Friday announced it is taking all necessary steps to retrieve \$4.8m in outstanding charter payments from the charterer of the Capesize M/V Houston, Shagang Shipping. The vessel continues to operate in accordance with the terms of the charter. The charter rate is \$55,000/day.

Container volumes in Long Beach are now 17.6% below levels recorded one year ago, Tradewinds reports. The port handled 459,881-teu in November; down from 558,308-teu one year ago, dropping for the fifth consecutive month. Outbound containers are down 22% while inbound volumes have fallen 15.6% from last year.



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



Lorentzen & Stemoco AS
Telephone: +47 2252 7700

First Securities AS
Telephone: +47 2323 8000



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	4.06	1.5 %	-3 %	-15 %	-50 %	312	4.7	4.4	6.9	6.5	9 %	6 %	63 %	
Jinhui Shipping	JIN NO	9.99	-0.1 %	-4 %	-16 %	-49 %	141	1.4	2.9	3.5	4.6	0 %	0 %	72 %	
CMB	CMB BB	15.42	-0.4 %	1 %	-5 %	-33 %	704	7.0	7.7	7.5	7.6	6 %	6 %	54 %	
DryShips	DRYS US	2.10	-1.9 %	-7 %	-24 %	-60 %	860	4.8	3.2	8.1	5.5	0 %	0 %	81 %	
Diana Shipping	DSX US	7.99	0.6 %	0 %	-3 %	-31 %	660	6.1	10.5	3.7	4.5	0 %	0 %	Neg.	
Genco Shipping	GNK US	6.93	3.0 %	-10 %	-24 %	-52 %	249	9.6	na	6.9	8.7	0 %	0 %	85 %	
Navios M Holding	NM US	3.55	0.9 %	-6 %	-5 %	-33 %	361	6.1	6.4	5.7	5.4	7 %	7 %	75 %	
Excel Maritime	EXM US	1.69	-2.9 %	-8 %	-26 %	-70 %	145	na	na	7.6	10.8	0 %	0 %	87 %	
Eagle Bulk	EGLE US	1.07	0.0 %	1 %	-18 %	-79 %	67	na	na	11.2	9.1	0 %	0 %	94 %	
Safe Bulkers	SB US	6.10	1.5 %	0 %	-11 %	-31 %	432	4.1	4.1	6.5	6.0	10 %	10 %	50 %	
Korea Line	005880 KS	29,500	9.5 %	5 %	-30 %	-80 %	337	na	na	na	na	na	na	na	
STX Pan Ocean	STX SP	6.50	-0.8 %	-7 %	-13 %	-50 %	1,027	na	na	na	na	0 %	0 %	72 %	
Nippon Yusen	9101 JP	196	4.8 %	1 %	16 %	-46 %	4,289	na	na	13.0	9.6	2 %	2 %	73 %	
Pacific Basin	2343 HK	3.10	0.0 %	-5 %	-8 %	-40 %	771	na	13.3	6.5	6.1	3 %	4 %	22 %	
Belships	BEL NO	5.08	0.0 %	-7 %	-11 %	-30 %	21	na	na	na	na	na	na	na	
China Cosco	1919 HK	3.70	2.2 %	-8 %	-3 %	-55 %	7,661	na	na	na	na	0 %	0 %	35 %	
D/S Nordco	DNORD DC	132	0.8 %	-4 %	-14 %	-35 %	998	10.7	13.6	4.3	4.3	4 %	4 %	Neg.	
Market cap weighted average			2.2 %	-4.3 %	-2.6 %	-49.1 %		6.7	8.5	9.1	7.5	2 %	2 %		

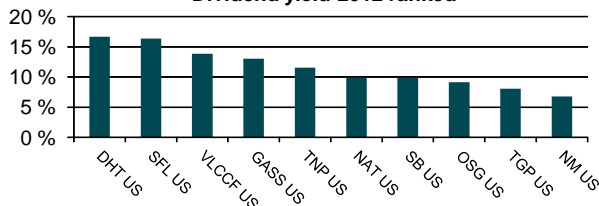
Tankers

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	22	10.5 %	11 %	-33 %	-85 %	286	na	na	12.3	15.7	3 %	0 %	89 %	
Ship Finance	SFL US	9.55	-2.5 %	-6 %	-34 %	-56 %	756	5.8	6.1	12.8	11.7	16 %	16 %	72 %	
Euronav	EURN BB	3.31	-1.2 %	0 %	-2 %	-74 %	223	na	na	9.6	11.4	0 %	0 %	84 %	
General Maritime Corp	GMRRQ US	0.02	-5.9 %	-1 %	-90 %	-100 %	2	na	na	na	na	0 %	0 %	100 %	
Teekay	TK US	26.11	1.8 %	0 %	-7 %	-21 %	1,828	na	na	10.6	8.6	5 %	5 %	74 %	
Overseas	OSG US	9.62	3.1 %	1 %	-34 %	-73 %	293	na	na	na	15.5	14 %	9 %	87 %	
NAT	NAT US	12.13	0.4 %	-4 %	-15 %	-53 %	573	na	na	na	17.4	10 %	10 %	24 %	
Tsakos Energy	TNP US	5.19	-0.2 %	-2 %	-15 %	-48 %	240	na	na	15.2	12.7	12 %	12 %	85 %	
Saga Tankers	SAGA NO	1.50	-3.2 %	-3 %	-12 %	-73 %	22	na	na	5.0	5.4	0 %	0 %	22 %	
Knightsbridge	VLCFF US	14.43	-1.2 %	-7 %	-14 %	-35 %	352	10.5	10.9	7.0	6.7	14 %	14 %	19 %	
DHT Holdings	DHT US	1	-2.7 %	-1 %	-35 %	-85 %	45	3.1	9.0	5.5	6.1	36 %	17 %	84 %	
Odfjell	ODF NO	37.20	0.0 %	4 %	13 %	-31 %	537	na	na	9.9	7.4	3 %	3 %	66 %	
TORM A/S	TORM DC	3.71	-1.0 %	-11 %	-22 %	-91 %	47	na	na	na	na	0 %	0 %	97 %	
Stolt-Nielsen	SNI NO	112.00	-2.6 %	0 %	2 %	-21 %	1,206	11.9	9.4	8.2	7.0	5 %	5 %	54 %	
Eitzen Chemical	ECHEM NO	0.14	-6.7 %	-18 %	-7 %	-92 %	27	na	na	na	na	0 %	0 %	97 %	
Scorpio Tankers	STNG US	5.00	12.1 %	4 %	-23 %	-51 %	90	na	na	16.8	14.7	0 %	0 %	54 %	
D'Amico	DIS IM	0.45	2.4 %	2 %	-18 %	-54 %	88	na	na	11.8	6.0	0 %	3 %	73 %	
Market cap weighted average			0.4 %	-0.8 %	-11.2 %	-39.5 %		9.6	8.6	10.4	10.1	7 %	7 %		

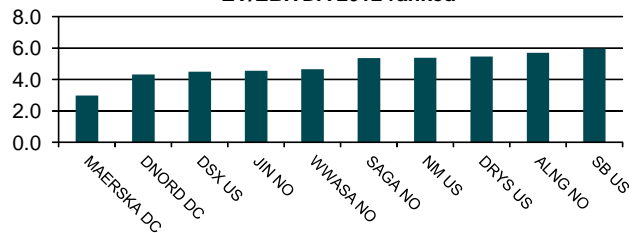
Other

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	260.00	0.8 %	5 %	4 %	191 %	3,484	na	na	na	14.2	3 %	3 %	22 %	
Golar LNG Partners	GLMP US	29.00	0.0 %	-2 %	3 %	na	1,133	na	14.9	14.2	11.2	5 %	6 %	40 %	
Höegh LNG Holdings	HLNG NO	45.00	-4.3 %	-7 %	2 %	na	342	na	na	na	19.5	0 %	0 %	49 %	
IM Skaugen	IMSK NO	29.20	1.4 %	-3 %	2 %	-21 %	133	na	15.8	18.6	9.7	0 %	0 %	51 %	
Exmar SA	EXM BB	5.45	0.6 %	-2 %	0 %	1 %	423	na	9.5	12.0	8.2	5 %	3 %	68 %	
Teekay LNG	TGP US	34	2.6 %	3 %	3 %	-12 %	2,181	18.8	15.6	13.7	11.9	7 %	8 %	41 %	
StealthGas	GASS US	3.84	-0.5 %	-4 %	-3 %	-52 %	81	5.8	4.3	7.4	6.6	0 %	13 %	na	
Awilco LNG	ALNG NO	24.00	6.7 %	0 %	19 %	na	273	na	7.9	na	5.7	0 %	0 %	Neg.	
A P Moller Maersk	MAERSKA DC	32,660.00	0.0 %	-6 %	-4 %	-34 %	25,913	11.4	10.3	2.9	3.0	3 %	3 %	36 %	
Evergreen Marine	EVGZF US	14.30	-0.3 %	-3 %	-10 %	-48 %	1,636	na	na	na	12.9	0 %	0 %	33 %	
Sinoceanic Shipping	SINO NO	4	1.4 %	-6 %	-35 %	-56 %	8	na	na	na	na	na	na	na	
Hanjin Shipping	000700 KS	7,210	-2.4 %	-10 %	-4 %	-61 %	273	na	na	na	na	na	na	na	
K-Line	9107 JP	140.00	0.0 %	-3 %	4 %	-61 %	1,379	na	na	na	13.3	0 %	0 %	81 %	
CSC	2866 HK	1.62	1.2 %	1 %	17 %	-53 %	5,144	na	na	na	na	0 %	0 %	22 %	
Orient Overseas	316 HK	41.50	1.2 %	10 %	15 %	-32 %	3,336	na	18.9	10.2	8.9	1 %	2 %	16 %	
Neptune Orient Lines	NOL SP	1.15	0.4 %	1 %	7 %	-47 %	2,282	na	na	na	13.8	0 %	0 %	38 %	
With Wilhelmsen ASA	WWASA NO	29	0.3 %	-1 %	-11 %	-32 %	1,068	7.5	5.1	5.4	4.7	4 %	4 %	52 %	
Market cap weighted average			0.4 %	-2.2 %	1.3 %	-19.7 %		11.8	11.4	5.0	6.5	2 %	3 %		

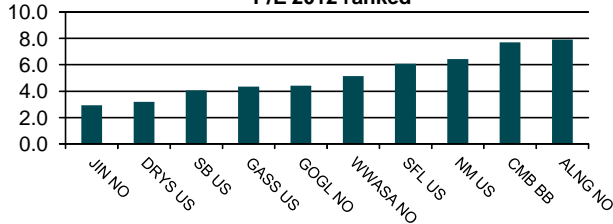
Dividend yield 2012 ranked



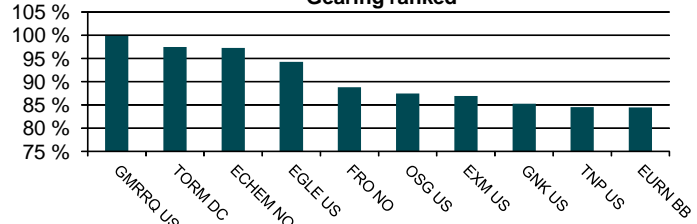
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS



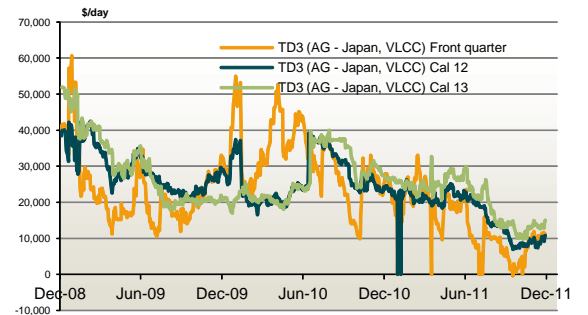
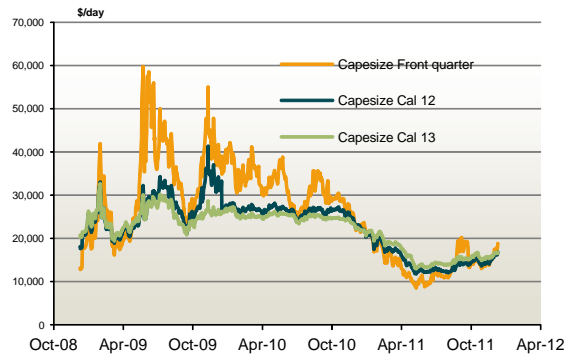
Currencies

	Today	Previous	Change
EURUSD	1.3024	1.3046	-0.2 %
EURJPY	101.43	101.47	0.0 %
USDJPY	77.88	77.76	0.2 %
USDKRW	1,174.8	1,158.7	1.4 %
USDCNY	6.3371	6.3508	-0.2 %
USDNOK	5.9666	5.9557	0.2 %



FFAs

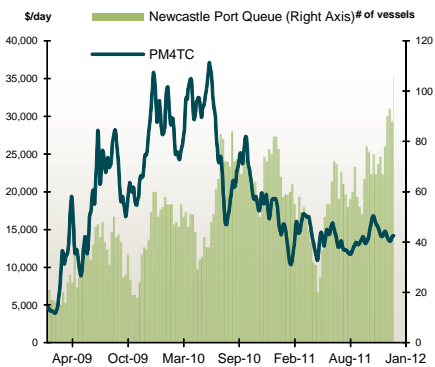
	Today	Previous	Change
Capesize Front quarter	18,813	17,875	5.2 %
Capesize Cal 12	16,848	16,459	2.4 %
Capesize Cal 13	16,846	16,617	1.4 %
	(\$/day)	(\$/day)	
Panamax Front quarter	12,208	12,171	0.3 %
Panamax Cal 12	11,635	11,630	0.0 %
Panamax Cal 13	11,808	11,793	0.1 %
Supramax Front quarter	11,733	11,788	-0.5 %
PM4TC Cal 12	11,319	11,403	-0.7 %
PM4TC Cal 13	11,333	11,429	-0.8 %
TD3 (AG - Japan, VLCC) Front quarter	11,101	11,246	-1.3 %
TD3 (AG - Japan, VLCC) Cal 12	10,746	10,549	1.9 %
TD3 (AG - Japan, VLCC) Cal 13	15,051	14,728	2.2 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	16,771	16,716	0.3 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	13,870	13,729	1.0 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	16,299	16,045	1.6 %
TC2 (ARA - USEC, MR) Front quarter	11,079	10,344	7.1 %
TC2 (ARA - USEC, MR) Cal 12	9,857	9,632	2.3 %
TC2 (ARA - USEC, MR) Cal 13	10,779	10,640	1.3 %



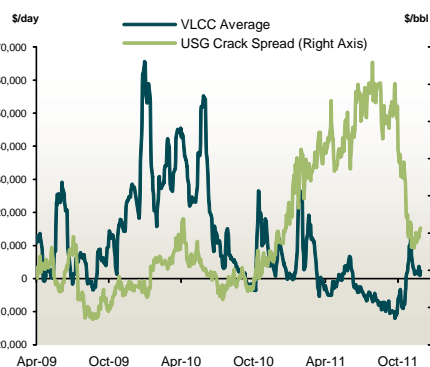
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

Selected Indicators

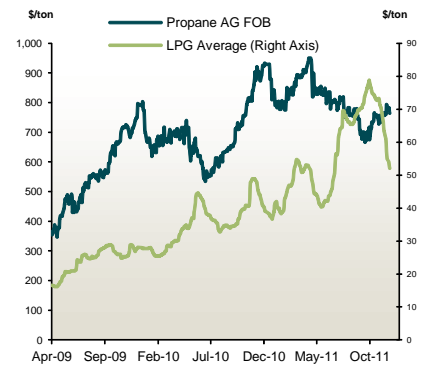
Dry Bulk



Tanker



Gas



Source: Bloomberg / Lorentzen & Stemoco AS





Lorentzen & Stemoco

General Disclaimer



Contact Information

Lorentzen & Stemoco AS

Lilleakerveien 4
0238 OSLO
Norway

Dry Bulk

Nicolai Hansteen, Chief Economist
nicolai.hansteen@lorstem.no
+47 2252 7728

Tank

Thomas Zwick, Shipping Analyst
tz@lorstem.no
+47 2252 7735

Gas

Knut Stangebye Olsen, Shipping Analyst
knut.stangebye.olsen@lorstem.no
+47 2252 7703

First Securities AS

Filipstad Brygge 1
Postboks 1441 - Vika
N-0115 OSLO
Norway

Shipping Equity Research

Erik Folkeson, Financial Analyst
efo@first.no
+47 2323 8257

Lorentzen & Stemoco AS Disclaimer

This document has been prepared for the information of clients of Lorentzen & Stemoco AS (L&S). This document may not be reproduced, distributed or published for any purpose without the prior written permission of L&S. The content of this document, including attachments, is intended for the confidential use of the individual(s) or entity(-ies) to whom it is addressed only and may contain personal and/or confidential information. All the information and opinions contained in this document have been prepared or arrived at from sources which are believed to be reliable and given in good faith. L&S does not represent that such information is accurate or complete and it should not be relied upon as such, nor is it a substitute for the judgment of the recipient. All opinions and estimates contained herein constitute L&S' judgment at the date of this document and are subject to change without notice. L&S does not accept any liability whatsoever for any direct, indirect or consequential loss arising from any use of information, opinion and/or estimates in this document.

First Securities AS Disclaimer

This document is intended for use only by those investors to whom it is made available by First Securities AS and no part of this report may be reproduced in any manner, or used other than as intended, without the prior written permission of First Securities AS. The information contained in this document has been taken from sources deemed to be reliable. First Securities AS makes every effort to use reliable, comprehensive information but we do not represent that such information is accurate or complete and it should not be relied on as such. Any opinions expressed herein reflect our judgement at this date and are subject to change. First Securities AS has no obligation to notice changes of judgements or opinions expressed herein. The opinions contained herein are based on numerous assumptions as described in the document. Different assumptions could result in materially different results. Furthermore, the assumptions may not be realized. This document does not provide individually tailored investment advice and all recipients of this document are advised to seek the advice of a financial advisor before deciding on an investment or an investment strategy. First Securities AS accept no liability whatsoever for any direct, indirect or consequential loss rising from the use of this document or its contents. This document does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for any securities nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. The distribution of this document may be restricted by law in certain jurisdictions and person into whose possession this document comes should inform themselves about, and observe, any such restriction. Any failure to comply with these restrictions may constitute a violation of the laws of any such jurisdiction. First Securities AS shall not have any responsibility for any such violations.

