



Lorentzen & Stemoco

# Joint Shipping Service Morning Report



December 20, 2011

## Dry Bulk Market

	Today	Previous	Change	Change YTD
<b>Average TCEs</b>				
Capesize (\$/day)	\$31,451	\$31,480	-0.1 %	<b>68.2 %</b>
Panamax (\$/day)	\$14,187	\$14,183	0.0 %	-0.9 %
Supramax (\$/day)	\$12,424	\$12,476	-0.4 %	<b>-16.4 %</b>
BDI	1,885	1,888	-0.2 %	<b>11.3 %</b>
<b>Dry Commodities</b>				
India Iron Ore China Landed 63% Fe (\$/ton)	\$144	\$144	0.0 %	<b>-18.2 %</b>
China Average HR Sheet (\$/ton)	\$666	\$666	0.0 %	<b>-4.4 %</b>
Amsterdam Coal API#2 (\$/ton)	\$109.84	\$109.84	0.0 %	<b>-15.2 %</b>
Red Hard Wheat KCBT (\$/bushel)	\$6.34	\$6.15	<b>3.1 %</b>	<b>-18.5 %</b>

Bloomberg writes that China's benchmark thermal-coal price at Qinhuangdao port fell for the third week after the government announced plans for a price cap. Coal imports probably hit a record high last month. Coal with an energy value of 5,500 kilocalories per kilogram declined 10 yuan from a week ago to a range of 815 yuan to 825 yuan (\$128.30 to \$129.90) a metric ton as of yesterday, according to data published today by the China Coal Transport and Distribution Association. Stockpiles fell 4.6 percent to 7.07 million tons, the data showed

## Tanker Market

	Today	Previous	Change	Change YTD
<b>Average TCEs</b>				
VLCC TD3 MEG-Japan (\$/day)	\$14,272	\$13,290	<b>7.4 %</b>	<b>-11.9 %</b>
Suez Average (\$/day)	\$23,728	\$23,739	0.0 %	<b>11.3 %</b>
Aframax Average (\$/day)	\$14,030	\$15,256	<b>-8.0 %</b>	<b>48.7 %</b>
MR Average (\$/day)	\$16,246	\$14,241	<b>14.1 %</b>	<b>56.1 %</b>
<b>Oil Commodities</b>				
Brent Front Month (\$/bbl)	\$104.54	\$103.64	0.9 %	<b>10.2 %</b>
WTI Front Month (\$/bbl)	\$93.88	\$93.53	0.4 %	<b>3.1 %</b>
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0.82	-\$0.75	<b>-9.3 %</b>	-
NWE-USG Gasoline Arbitrage (\$/mt)	-\$10.47	-\$10.71	<b>\$0.2</b>	-

OMAN Shipping Co today said it is taking back into its fleet six very large crude carriers that have been on charter to Iran's shipowner NITC, writes Lloyds List. OSC decided to put the vessels into its own fleet due to trade sanctions imposed on Iran, which prevent NITC from trading the vessels profitably. Sanctions were imposed on Iran by the European Union and the UN, due to Iran's nuclear program. Concerns have been raised over cutting Iran, a major oil producer and exporter, out of the international oil market. According to Bank of America, oil prices could rise by 40 USD/bbl if sanctions halt Iranian supplies. This could further raise bunker fuel costs for shipowners and threaten global economic recovery

## Gas Market

	Today	Previous	Change	Change YTD
<b>Freight Rates</b>				
LPG Average (\$/ton)	51.84	52.13	-0.6 %	<b>35.3 %</b>
<b>Gas Commodities</b>				
Propane AG Spot (\$/ton)	764.50	764.50	0.0 %	<b>-16.3 %</b>
Butane AG Spot (\$/ton)	819.50	819.50	0.0 %	<b>-8.7 %</b>
Natural Gas (\$/MMBTU)	3.02	3.03	-0.3 %	<b>-33.5 %</b>
<b>Bunkers</b>				
380 cSt Fujairah	656.50	654.50	0.3 %	<b>26.4 %</b>
380 cSt Rotterdam	606.00	605.50	0.1 %	<b>22.9 %</b>
380 cSt Houston	617.00	631.50	<b>-2.3 %</b>	<b>23.5 %</b>

JAPAN'S Kawasaki HI has won a new order for an LPG carrier from Kumiai Navigation of Singapore. The 82,000m<sup>3</sup> vessel is booked for delivery in 4Q 2013. Kumiai Navigation is a subsidiary of Japanese shipowner Kumiai Senpaku and has a newbuilding backlog of four 205,000dwt, one 81,000dwt and six 58,000dwt bulkers being built at Japanese and Chinese yards

Source: Bloomberg / Lorentzen & Stemoco AS

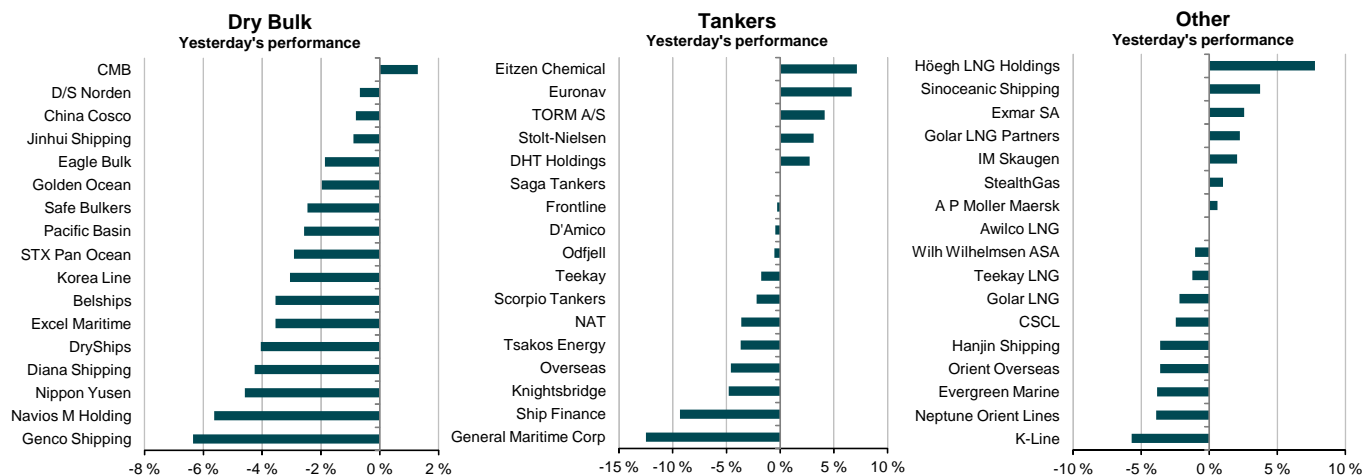
## Shipping Equities

### Selected news:

According to Michael Parker, global head of shipping and logistics at Citi, shipping companies facing financial difficulties will find things even tougher in 2012, Lloyd's List reports. The banking crisis has fundamentally changed the banking industry and shipowners need to adopt a different approach to raising finance in the future. The Citi chief does not expect dry bulk or tanker freight markets to improve in 2012.

Wilh. Wilhelmsen has secured a \$55m credit facility to pay for newbuildings under construction at Mitsubishi Heavy Industries. The lenders behind the facility include JBIC, Mitsui Sumitomo Bank and Mitsubishi Tokyo UFJ Bank with JBIC offering \$27m of the total amount. According to the bank, the facility will help pay for a pair of 6,500-ceu units at the Japanese yard.

Mitsui OSK Lines of Japan (MOL) has confirmed a deal to provide a shuttle tanker for an import terminal in Indonesia. The Japanese major beat off competition from Golar LNG who provides the FSRU Khannur for the project. Shipments will start in January 2012 and runs through 2022, MOL says in the announcement. MOL will use the LNG carrier LNG Aquarius (1977) for the project and has set up a 51/49% joint venture with Indonesian trading firm Trada Maritime to own and operate the ship, Tradewinds reports.



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

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# 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	3.98	-2.0 %	-6 %	-10 %	-51 %	307	4.6	4.3	6.9	6.4	9 %	6 %	64 %	
Jinhui Shipping	JIN NO	9.90	-0.9 %	-2 %	-12 %	-49 %	140	1.6	3.0	3.5	4.7	0 %	0 %	72 %	
CMB	CMB BB	15.62	1.3 %	1 %	-3 %	-32 %	712	7.1	7.8	7.6	7.6	6 %	6 %	54 %	
DryShips	DRYS US	2.02	-4.0 %	-6 %	-21 %	-62 %	825	4.6	3.1	8.0	5.4	0 %	0 %	82 %	
Diana Shipping	DSX US	7.65	-4.3 %	-5 %	-5 %	-34 %	632	5.8	10.1	3.5	4.3	0 %	0 %	Neg.	
Genco Shipping	GNK US	6.49	-6.3 %	-11 %	-26 %	-55 %	233	9.0	na	6.8	8.6	0 %	0 %	86 %	
Navios M Holding	NM US	3.35	-5.6 %	-8 %	-11 %	-37 %	341	5.8	6.1	5.7	5.3	7 %	7 %	76 %	
Excel Maritime	EXM US	1.63	-3.6 %	-7 %	-21 %	-71 %	140	na	na	7.6	10.7	0 %	0 %	87 %	
Eagle Bulk	EGLE US	1.05	-1.9 %	-2 %	-17 %	-79 %	66	na	na	11.2	9.1	0 %	0 %	94 %	
Safe Bulkers	SB US	5.95	-2.5 %	-1 %	-12 %	-33 %	422	4.0	4.0	6.4	5.9	10 %	10 %	51 %	
Korea Line	005880 KS	28,600	-3.1 %	6 %	-32 %	-80 %	322	na	na	na	na	na	na	na	
STX Pan Ocean	STX SP	6.31	-2.9 %	-10 %	-13 %	-52 %	994	na	na	na	20.0	0 %	0 %	72 %	
Nippon Yusen	9101 JP	187	-4.6 %	-5 %	13 %	-48 %	4,080	na	na	12.9	9.5	2 %	2 %	74 %	
Pacific Basin	2343 HK	3.02	-2.6 %	-2 %	-10 %	-42 %	751	19.5	12.9	6.3	6.0	3 %	4 %	22 %	
Belships	BEL NO	4.90	-3.5 %	-10 %	-14 %	-32 %	21	na	na	na	na	na	na	na	
China Cosco	1919 HK	3.67	-0.8 %	-8 %	-1 %	-55 %	7,600	na	na	na	na	0 %	0 %	35 %	
D/S Nordco	DNORD DC	131	-0.7 %	-3 %	-12 %	-35 %	989	10.6	13.5	4.3	4.3	4 %	4 %	Neg.	
<b>Market cap weighted average</b>			<b>-2.3 %</b>	<b>-5.8 %</b>	<b>-2.3 %</b>	<b>-50.3 %</b>		<b>8.4</b>	<b>8.4</b>	<b>9.0</b>	<b>8.6</b>	<b>2 %</b>	<b>2 %</b>		

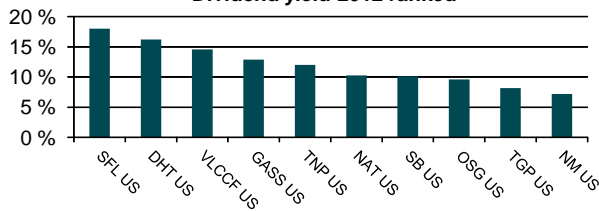
## Tankers

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	-0.3 %	8 %	-33 %	-86 %	287	na	na	12.3	15.7	3 %	0 %	89 %	
Ship Finance	SFL US	8.66	-9.3 %	-13 %	-40 %	-60 %	685	5.2	5.5	12.5	11.4	18 %	18 %	74 %	
Euronav	EURN BB	3.53	6.6 %	6 %	2 %	-72 %	238	na	na	9.7	11.5	0 %	0 %	84 %	
General Maritime Corp	GMRRQ US	0.01	-12.5 %	-18 %	-55 %	-100 %	2	na	na	na	na	0 %	0 %	100 %	
Teekay	TK US	25.65	-1.8 %	-1 %	-9 %	-22 %	1,795	na	na	10.5	8.5	5 %	5 %	74 %	
Overseas	OSG US	9.18	-4.6 %	-4 %	-34 %	-74 %	280	na	na	na	15.5	14 %	10 %	88 %	
NAT	NAT US	11.69	-3.6 %	-4 %	-18 %	-55 %	553	na	na	na	17.7	10 %	10 %	25 %	
Tsakos Energy	TNP US	5.00	-3.7 %	-7 %	-18 %	-50 %	231	na	na	15.2	12.9	12 %	12 %	85 %	
Saga Tankers	SAGA NO	1.50	0.0 %	-3 %	-12 %	-73 %	22	na	na	5.0	5.4	0 %	0 %	22 %	
Knightsbridge	VLCCF US	13.74	-4.8 %	-9 %	-17 %	-38 %	336	10.0	11.0	6.8	6.7	15 %	15 %	20 %	
DHT Holdings	DHT US	1	2.8 %	8 %	-30 %	-84 %	46	3.2	9.3	5.5	6.1	35 %	16 %	84 %	
Odfjell	ODF NO	37.00	-0.5 %	0 %	20 %	-31 %	536	na	na	9.9	7.4	3 %	3 %	66 %	
TORM A/S	TORM DC	3.86	4.2 %	-5 %	-8 %	-90 %	49	na	na	na	na	0 %	0 %	97 %	
Stolt-Nielsen	SNI NO	115.50	3.1 %	0 %	7 %	-19 %	1,249	12.3	9.7	8.3	7.1	5 %	5 %	54 %	
Eitzen Chemical	ECHEM NO	0.15	7.1 %	-6 %	0 %	-92 %	29	na	na	na	na	0 %	0 %	97 %	
Scorpio Tankers	STNG US	4.89	-2.2 %	3 %	-25 %	-52 %	88	na	na	16.6	14.6	0 %	0 %	55 %	
D'Amico	DIS IM	0.45	-0.4 %	4 %	-8 %	-54 %	88	na	na	11.8	6.0	0 %	3 %	73 %	
<b>Market cap weighted average</b>			<b>-1.5 %</b>	<b>-2.1 %</b>	<b>-10.4 %</b>	<b>-40.1 %</b>		<b>9.7</b>	<b>8.7</b>	<b>10.3</b>	<b>10.1</b>	<b>8 %</b>	<b>7 %</b>		

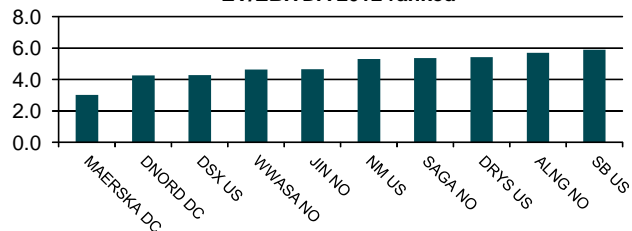
## Other

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	254.30	-2.2 %	1 %	4 %	185 %	3,423	na	na	na	14.0	3 %	3 %	22 %	
Golar LNG Partners	GLMP US	29.65	2.2 %	1 %	4 %	na	1,159	na	15.2	14.4	11.4	5 %	6 %	39 %	
Höegh LNG Holdings	HLNG NO	48.50	7.8 %	0 %	9 %	na	371	na	na	na	na	0 %	0 %	48 %	
IM Skaugen	IMSK NO	29.80	2.1 %	-1 %	5 %	-19 %	136	na	16.2	18.8	9.9	0 %	0 %	50 %	
Exmar SA	EXM BB	5.59	2.6 %	3 %	6 %	4 %	433	na	9.7	12.1	8.3	5 %	3 %	67 %	
Teekay LNG	TGP US	33	-1.2 %	3 %	1 %	-13 %	2,153	18.5	15.4	13.6	11.8	8 %	8 %	42 %	
StealthGas	GASS US	3.88	1.0 %	-4 %	-3 %	-51 %	82	5.9	4.4	7.4	6.6	0 %	13 %	na	
Awilco LNG	ALNG NO	24.00	0.0 %	3 %	18 %	na	274	na	7.9	na	5.7	0 %	0 %	Neg.	
A P Moller Maersk	MAERSKA DC	32,860.00	0.6 %	-6 %	-1 %	-33 %	26,017	11.5	10.1	3.0	3.0	3 %	3 %	36 %	
Evergreen Marine	EVGZF US	13.75	-3.8 %	-6 %	-9 %	-50 %	1,572	na	na	na	12.6	0 %	0 %	34 %	
Sinoceanic Shipping	SINO NO	4	3.7 %	-2 %	-38 %	-54 %	9	na	na	na	na	na	na	na	
Hanjin Shipping	000700 KS	6,950	-3.6 %	-10 %	-6 %	-62 %	259	na	na	na	na	na	na	na	
K-Line	9107 JP	132.00	-5.7 %	-10 %	0 %	-63 %	1,296	na	na	na	14.4	0 %	0 %	82 %	
CSC	2866 HK	1.58	-2.5 %	-3 %	17 %	-54 %	5,017	na	na	na	na	0 %	0 %	23 %	
Orient Overseas	316 HK	40.00	-3.6 %	2 %	15 %	-34 %	3,216	na	18.2	9.9	8.6	1 %	2 %	17 %	
Neptune Orient Lines	NOL SP	1.11	-3.9 %	-3 %	5 %	-49 %	2,186	na	na	na	13.5	0 %	0 %	39 %	
With Wilhelmsen ASA	WWASA NO	29	-1.0 %	2 %	-9 %	-33 %	1,061	7.4	5.1	5.4	4.6	4 %	4 %	52 %	
<b>Market cap weighted average</b>			<b>-0.7 %</b>	<b>-3.6 %</b>	<b>2.6 %</b>	<b>-20.5 %</b>		<b>11.9</b>	<b>11.2</b>	<b>4.9</b>	<b>6.3</b>	<b>2 %</b>	<b>3 %</b>		

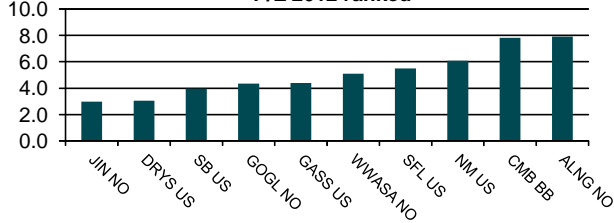
Dividend yield 2012 ranked



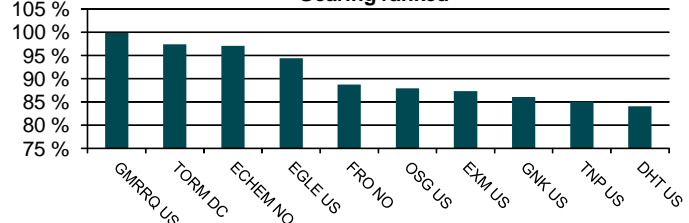
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked

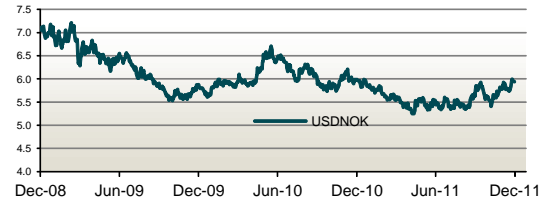


Source: JCF FactSet / First Securities AS



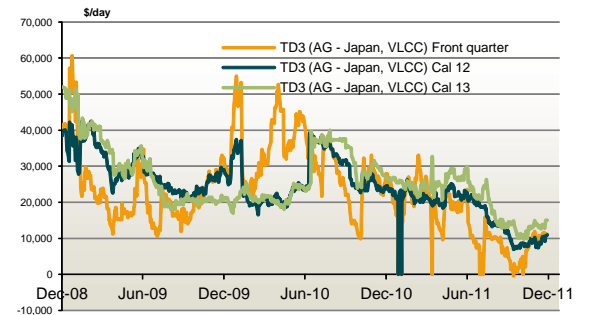
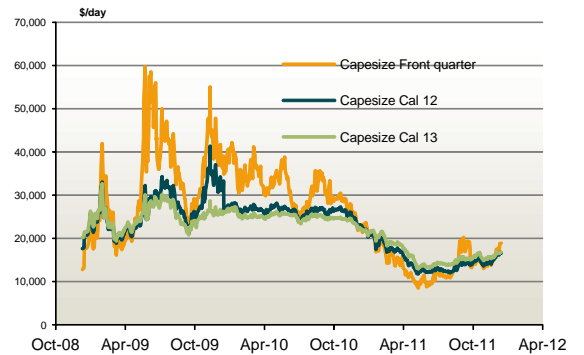
## Currencies

	Today	Previous	Change
EURUSD	1.3014	1.2998	0.1 %
EURJPY	101.44	101.45	0.0 %
USDJPY	77.95	78.05	-0.1 %
USDKRW	1,162.2	1,174.8	-1.1 %
USDCNY	6.3466	6.3371	0.1 %
USDNOK	5.9382	5.9468	-0.1 %



## FFAs

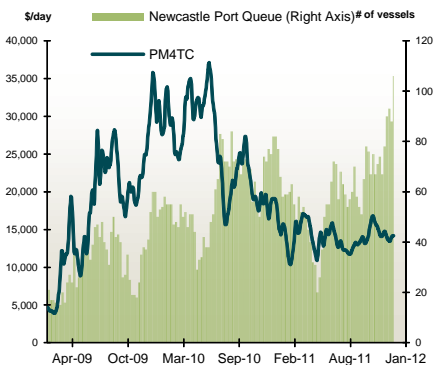
	Today	Previous	Change
Capesize Front quarter	18,885	18,813	0.4 %
Capesize Cal 12	16,625	16,848	-1.3 %
Capesize Cal 13	16,860	16,846	0.1 %
	<b>(\$/day)</b>	<b>(\$/day)</b>	
Panamax Front quarter	12,095	12,208	-0.9 %
Panamax Cal 12	11,586	11,635	-0.4 %
Panamax Cal 13	11,780	11,808	-0.2 %
Supramax Front quarter	11,790	11,733	0.5 %
PM4TC Cal 12	11,306	11,319	-0.1 %
PM4TC Cal 13	11,330	11,333	0.0 %
TD3 (AG - Japan, VLCC) Front quarter	11,099	11,101	0.0 %
TD3 (AG - Japan, VLCC) Cal 12	10,892	10,746	1.4 %
TD3 (AG - Japan, VLCC) Cal 13	15,016	15,051	-0.2 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	16,707	16,771	-0.4 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	13,809	13,870	-0.4 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	16,265	16,299	-0.2 %
TC2 (ARA - USEC, MR) Front quarter	11,066	11,079	-0.1 %
TC2 (ARA - USEC, MR) Cal 12	10,026	9,857	1.7 %
TC2 (ARA - USEC, MR) Cal 13	10,757	10,779	-0.2 %



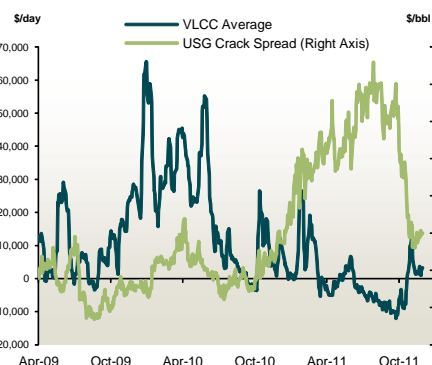
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

## Selected Indicators

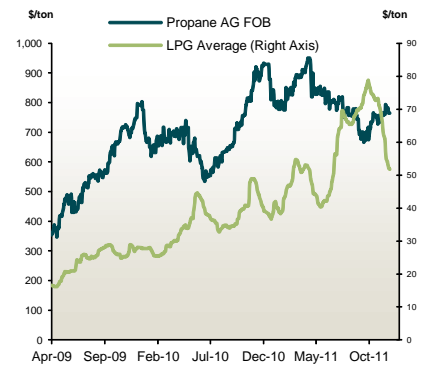
### Dry Bulk



### Tanker



### Gas



Source: Bloomberg / Lorentzen & Stemoco AS





Lorentzen & Stemoco

# General Disclaimer



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