



Lorentzen & Stemoco

# Joint Shipping Service Morning Report



December 21, 2011

## Dry Bulk Market

	Today	Previous	Change	Change YTD
<b>Average TCEs</b>				
Capesize (\$/day)	\$31,369	\$31,451	-0.3 %	<b>67.8 %</b>
Panamax (\$/day)	\$14,043	\$14,187	<b>-1.0 %</b>	<b>-1.9 %</b>
Supramax (\$/day)	\$12,410	\$12,424	-0.1 %	<b>-16.5 %</b>
BDI	1,878	1,885	-0.4 %	<b>10.9 %</b>
<b>Dry Commodities</b>				
India Iron Ore China Landed 63% Fe (\$/ton)	\$141	\$141	0.0 %	<b>-19.5 %</b>
China Average HR Sheet (\$/ton)	\$667	\$666	0.2 %	<b>-4.3 %</b>
Amsterdam Coal API#2 (\$/ton)	\$112.26	\$112.26	0.0 %	<b>-13.3 %</b>
Red Hard Wheat KCBT (\$/bushel)	\$6.43	\$6.34	<b>1.4 %</b>	<b>-17.5 %</b>

According to the Financial Times, Vale is looking to sell off its large iron ore carriers amid fierce opposition from Chinese shipowners and embarrassing teething problems, as the second-largest mining company shifts its focus back to core projects. José Carlos Martins, Vale's executive director for iron ore and strategy, said that the Brazilian company would sell its so-called Valemaxes, most of which have not yet been built, if it could take long-term leases on them. The multi-billion dollar plan to control shipments to China by building 35 ships with decks the size of three football fields – the biggest dry bulk carriers ever – was dreamt up by Roger Agnelli, Vale's former headstrong chief executive, but it has faced heavy criticism since

## Tanker Market

	Today	Previous	Change	Change YTD
<b>Average TCEs</b>				
VLCC TD3 MEG-Japan (\$/day)	\$14,450	\$14,272	<b>1.2 %</b>	<b>-10.8 %</b>
Suez Average (\$/day)	\$25,032	\$23,728	<b>5.5 %</b>	<b>17.5 %</b>
Aframax Average (\$/day)	\$15,292	\$14,030	<b>9.0 %</b>	<b>62.1 %</b>
MR Average (\$/day)	\$17,554	\$16,246	<b>8.1 %</b>	<b>68.6 %</b>
<b>Oil Commodities</b>				
Brent Front Month (\$/bbl)	\$107.59	\$106.73	0.8 %	<b>13.4 %</b>
WTI Front Month (\$/bbl)	\$97.22	\$93.88	<b>3.6 %</b>	<b>7.2 %</b>
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0.78	-\$0.73	<b>-6.8 %</b>	-
NWE-USG Gasoline Arbitrage (\$/mt)	\$21.52	#N/A	-	-

Brazil's state-controlled energy company Petrobras is importing gasoline at a record 100,000 barrels per day, Supply Director Paulo Roberto Costa said on Tuesday, as car ownership increases and after a statutory biofuel blend was reduced. Those imports equate to nearly a fourth of the 449,000 barrels of gasoline Brazil consumes daily and reflect a demand spike that occurred after the government cut gasoline's biofuel content from 25 percent to 20 percent from Oct. 1

## Gas Market

	Today	Previous	Change	Change YTD
<b>Freight Rates</b>				
LPG Average (\$/ton)	50.69	51.84	<b>-2.2 %</b>	<b>32.3 %</b>
<b>Gas Commodities</b>				
Propane AG Spot (\$/ton)	797.50	797.50	0.0 %	<b>-12.7 %</b>
Butane AG Spot (\$/ton)	852.50	852.50	0.0 %	<b>-5.1 %</b>
Natural Gas (\$/MMBTU)	3.07	3.02	<b>1.7 %</b>	<b>-32.4 %</b>
<b>Bunkers</b>				
380 cSt Fujairah	663.50	656.50	<b>1.1 %</b>	<b>27.7 %</b>
380 cSt Rotterdam	606.00	606.00	0.0 %	<b>22.9 %</b>
380 cSt Houston	619.00	617.50	0.2 %	<b>23.9 %</b>

Over 50 state-run and private firms in South Korea, heavily dependent on energy imports, plan to invest a record-high combined \$11.8 billion next year to develop oil and gas resources, the ministry of knowledge economy said on Wednesday. The world's fifth-largest crude oil importer and second-largest liquefied natural gas (LNG) buyer has been boosting overseas resources development as like regional peers it grapples with inflation driven by costlier energy and commodities, writes Reuters

Source: Bloomberg / Lorentzen & Stemoco AS

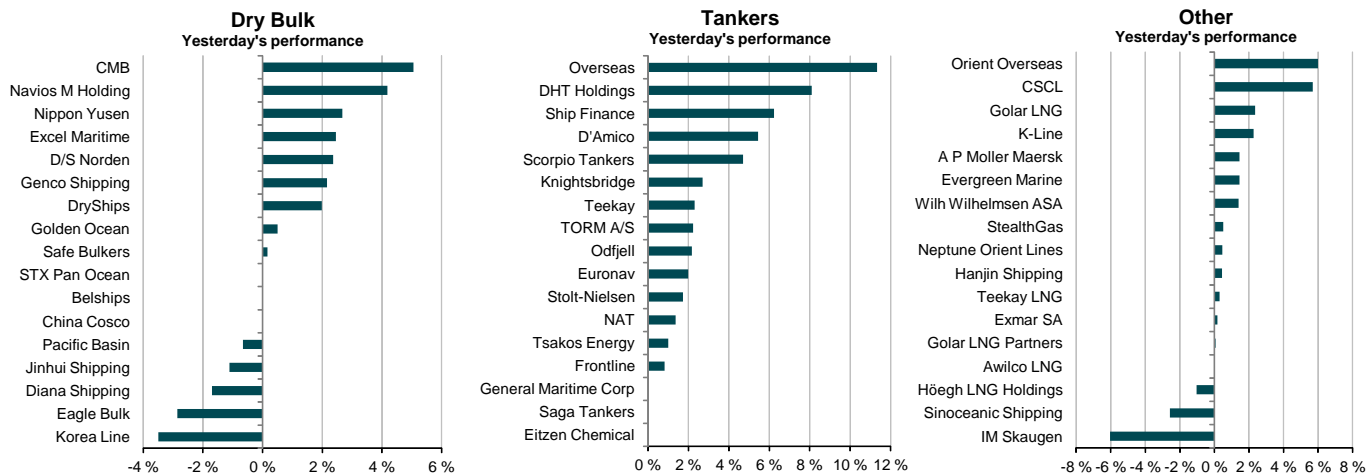
## Shipping Equities

### Selected news:

Höegh LNG is rumored to be close to chartering its 1979-built LNG carrier Libra on a six-month contract starting from mid-2012. The Oslo-based owner will get a rate of around \$70,000 daily; slightly above the rate Golar LNG has secured for a one-year extension for its 1976-built LNG carrier Gimi. Modern vessels now fetch between \$150,000 and \$200,000/day on the spot market.

BW Gas has formed a joint venture to build an LNG regas terminal in the Dominican Republic, Tradewinds reported yesterday. The total investment in the project is expected to be \$350m and the project is scheduled to commence operations in 2014. The source of the gas remains unknown and there are no guarantees BW will ship the gas to the new terminal.

Moody's has cut the ratings on containership giant Hapag-Lloyd. Its rank is changed from "stable" to "negative", however its B1 corporate family and probability of default rating is unchanged. The company's unsecured notes still carry a B3 status. The downgrade comes as a result of the company's weaker-than-expected results during the first nine months of the year, the credit agency adds. Further, tough competition in the boxship space makes it difficult for owners to pass on increased costs to its clients and market conditions in 2012 may not improve sufficiently for the company to keep its B1 rating.



Source: First Securities AS / JLT 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	4.00	0.5 %	-3 %	-10 %	-51 %	311	4.7	4.4	6.9	6.5	9 %	6 %	63 %	
Jinhui Shipping	JIN NO	9.79	-1.1 %	0 %	-13 %	-50 %	140	1.6	3.0	3.5	4.7	0 %	0 %	72 %	
CMB	CMB BB	16.41	5.1 %	6 %	2 %	-29 %	753	7.5	8.2	7.8	7.8	6 %	6 %	53 %	
DryShips	DRYS US	2.06	2.0 %	-4 %	-19 %	-61 %	841	4.7	3.1	8.0	5.4	0 %	0 %	81 %	
Diana Shipping	DSX US	7.52	-1.7 %	-6 %	-7 %	-35 %	621	5.7	9.9	3.5	4.2	0 %	0 %	Neg.	
Genco Shipping	GNK US	6.63	2.2 %	-6 %	-24 %	-54 %	238	9.1	na	6.8	8.7	0 %	0 %	86 %	
Navios M Holding	NM US	3.49	4.2 %	-2 %	-7 %	-34 %	355	6.0	6.3	5.7	5.4	7 %	7 %	76 %	
Excel Maritime	EXM US	1.67	2.5 %	-8 %	-19 %	-70 %	143	na	na	7.6	10.8	0 %	0 %	87 %	
Eagle Bulk	EGLE US	1.02	-2.9 %	-6 %	-20 %	-80 %	64	na	na	11.0	9.2	0 %	0 %	95 %	
Safe Bulkers	SB US	5.96	0.2 %	0 %	-12 %	-33 %	423	4.0	4.0	6.4	5.9	10 %	10 %	51 %	
Korea Line	005880 KS	27,600	-3.5 %	1 %	-34 %	-81 %	314	na	na	na	na	na	na	na	
STX Pan Ocean	STX SP	6.31	0.0 %	-1 %	-13 %	-52 %	1,001	na	na	na	20.0	0 %	0 %	72 %	
Nippon Yusen	9101 JP	192	2.7 %	-2 %	16 %	-47 %	4,200	na	na	13.0	9.6	2 %	2 %	73 %	
Pacific Basin	2343 HK	3.00	-0.7 %	-5 %	-10 %	-42 %	747	19.4	12.9	6.2	6.0	3 %	4 %	22 %	
Belships	BEL NO	4.90	0.0 %	-8 %	-14 %	-32 %	21	na	na	na	na	na	na	na	
China Cosco	1919 HK	3.67	0.0 %	-5 %	-1 %	-55 %	7,544	na	na	na	na	0 %	0 %	36 %	
D/S Nordco	DNORD DC	134	2.4 %	2 %	-10 %	-34 %	1,019	11.0	13.9	4.5	4.4	4 %	4 %	Neg.	
<b>Market cap weighted average</b>			<b>1.0 %</b>	<b>-2.8 %</b>	<b>-1.3 %</b>	<b>-49.6 %</b>		<b>8.5</b>	<b>8.5</b>	<b>9.1</b>	<b>8.6</b>	<b>2 %</b>	<b>2 %</b>		

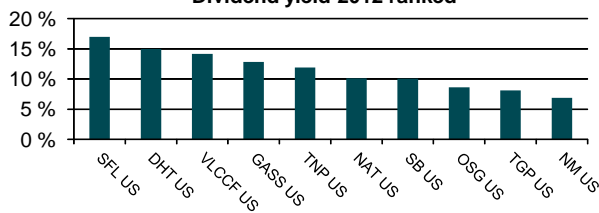
## Tankers

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	0.8 %	11 %	-33 %	-85 %	291	na	na	12.3	15.7	3 %	0 %	89 %	
Ship Finance	SFL US	9.20	6.2 %	-6 %	-36 %	-57 %	728	5.6	6.3	12.7	11.5	17 %	17 %	73 %	
Euronav	EURN BB	3.60	2.0 %	9 %	4 %	-72 %	244	na	na	9.7	11.5	0 %	0 %	83 %	
General Maritime Corp	GMRRQ US	0.01	0.0 %	-11 %	-55 %	-100 %	2	na	na	na	na	0 %	0 %	100 %	
Teekay	TK US	26.24	2.3 %	3 %	-7 %	-21 %	1,837	na	na	10.6	8.6	5 %	5 %	74 %	
Overseas	OSG US	10.22	11.3 %	10 %	-27 %	-71 %	311	na	na	na	15.7	13 %	9 %	87 %	
NAT	NAT US	11.85	1.4 %	-1 %	-17 %	-54 %	560	na	na	na	17.8	10 %	10 %	25 %	
Tsakos Energy	TNP US	5.05	1.0 %	-5 %	-17 %	-50 %	233	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	VLCFF US	14.11	2.7 %	-3 %	-15 %	-37 %	345	10.3	11.3	6.9	6.9	14 %	14 %	20 %	
DHT Holdings	DHT US	1	8.1 %	21 %	-25 %	-83 %	50	3.4	10.0	5.6	6.2	33 %	15 %	83 %	
Odfjell	ODF NO	37.80	2.2 %	2 %	22 %	-30 %	551	na	na	10.0	7.4	3 %	3 %	65 %	
TORM A/S	TORM DC	3.95	2.2 %	3 %	-6 %	-90 %	51	na	na	na	na	0 %	0 %	97 %	
Stolt-Nielsen	SNI NO	117.50	1.7 %	1 %	9 %	-18 %	1,281	12.6	10.0	8.4	7.2	5 %	5 %	53 %	
Eitzen Chemical	EICHEM NO	0.15	0.0 %	0 %	0 %	-92 %	29	na	na	na	na	0 %	0 %	97 %	
Scorpio Tankers	STNG US	5.12	4.7 %	12 %	-21 %	-49 %	93	na	na	16.1	15.2	0 %	0 %	51 %	
D'Amico	DIS IM	0.47	5.4 %	7 %	-2 %	-51 %	93	na	na	12.0	6.1	0 %	3 %	72 %	
<b>Market cap weighted average</b>			<b>2.9 %</b>	<b>1.8 %</b>	<b>-8.2 %</b>	<b>-38.7 %</b>		<b>10.0</b>	<b>9.0</b>	<b>10.4</b>	<b>10.2</b>	<b>7 %</b>	<b>7 %</b>		

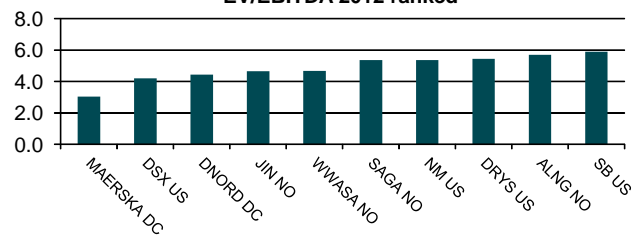
## Other

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	260.30	2.4 %	7 %	7 %	192 %	3,530	na	na	na	14.3	3 %	3 %	21 %	
Golar LNG Partners	GMLP US	29.67	0.1 %	2 %	4 %	na	1,159	na	15.2	14.4	11.4	5 %	6 %	39 %	
Höegh LNG Holdings	HLNG NO	48.00	-1.0 %	7 %	8 %	na	370	na	na	na	na	0 %	0 %	48 %	
IM Skaugen	IMSK NO	28.00	-6.0 %	-6 %	-2 %	-24 %	129	na	15.4	18.3	9.6	0 %	0 %	52 %	
Exmar SA	EXM BB	5.60	0.2 %	4 %	6 %	4 %	437	na	9.8	12.1	8.3	5 %	3 %	67 %	
Teekay LNG	TGP US	33	0.3 %	3 %	1 %	-12 %	2,160	18.6	15.5	13.6	11.8	8 %	8 %	42 %	
StealthGas	GASS US	3.90	0.5 %	-2 %	-2 %	-51 %	82	5.9	4.4	7.4	6.6	0 %	13 %	na	
Awilco LNG	ALNG NO	24.00	0.0 %	4 %	18 %	na	277	na	7.9	na	5.7	0 %	0 %	Neg.	
A P Moller Maersk	MAERSKA DC	33,340.00	1.5 %	2 %	1 %	-32 %	26,506	11.7	10.3	3.0	3.0	3 %	3 %	36 %	
Evergreen Marine	EVGFZ US	13.95	1.5 %	-4 %	-8 %	-49 %	1,597	na	na	na	12.1	0 %	0 %	33 %	
Sinoceanic Shipping	SINO NO	4	-2.6 %	2 %	-40 %	-55 %	9	na	na	na	na	na	na	na	
Hanjin Shipping	000700 KS	6,980	0.4 %	-10 %	-5 %	-62 %	263	na	na	na	na	na	na	na	
K-Line	9107 JP	135.00	2.3 %	-8 %	2 %	-62 %	1,329	na	na	na	14.5	0 %	0 %	81 %	
CSCG	2866 HK	1.67	5.7 %	2 %	24 %	-51 %	5,393	na	na	na	na	0 %	0 %	22 %	
Orient Overseas	316 HK	42.40	6.0 %	2 %	22 %	-30 %	3,410	na	19.3	10.4	9.0	1 %	2 %	16 %	
Neptune Orient Lines	NOL SP	1.11	0.5 %	-4 %	5 %	-49 %	2,210	na	na	na	13.5	0 %	0 %	39 %	
With Wilhelmsen ASA	WWASA NO	29	1.4 %	2 %	-8 %	-32 %	1,084	7.5	5.2	5.5	4.7	4 %	4 %	52 %	
<b>Market cap weighted average</b>			<b>2.1 %</b>	<b>1.6 %</b>	<b>5.0 %</b>	<b>-18.9 %</b>		<b>12.0</b>	<b>11.5</b>	<b>5.0</b>	<b>6.4</b>	<b>2 %</b>	<b>3 %</b>		

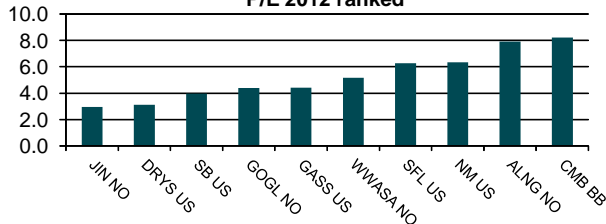
Dividend yield 2012 ranked



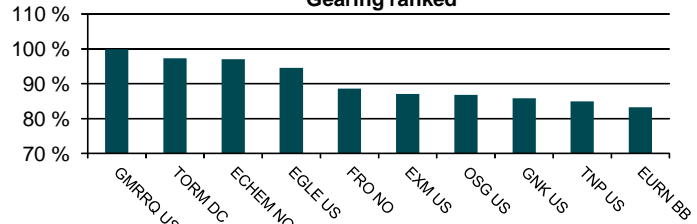
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS



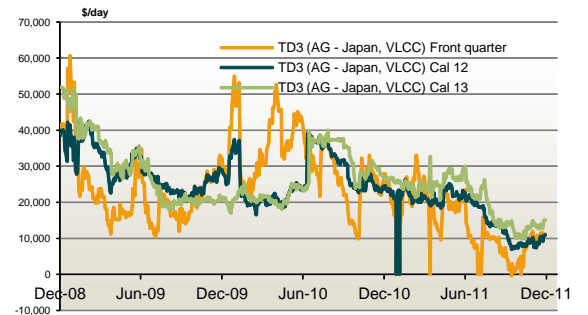
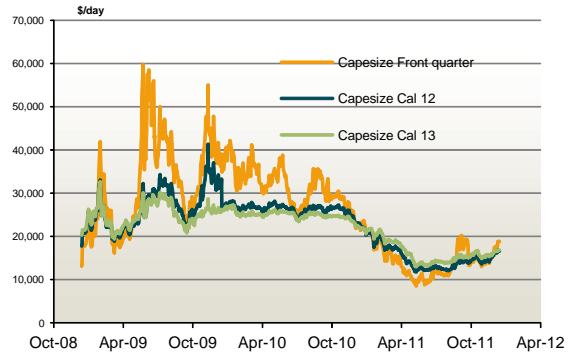
## Currencies

	Today	Previous	Change
EURUSD	1.3141	1.3082	0.5 %
EURJPY	102.11	101.89	0.2 %
USDJPY	77.7	77.89	-0.2 %
USDKRW	1,149.3	1,162.2	-1.1 %
USDCNY	6.3399	6.3466	-0.1 %
USDNOK	5.8646	5.8993	-0.6 %



## FFAs

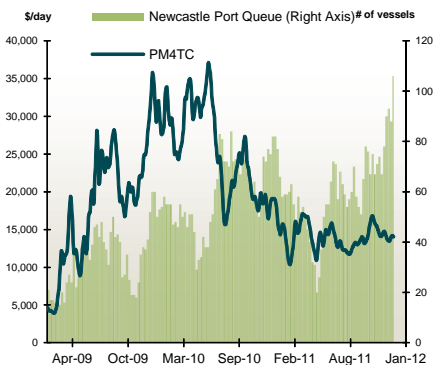
	Today	Previous	Change
Capesize Front quarter	18,850	18,885	-0.2 %
Capesize Cal 12	16,658	16,625	0.2 %
Capesize Cal 13	16,870	16,860	0.1 %
	<b>(\$/day)</b>	<b>(\$/day)</b>	
Panamax Front quarter	11,975	12,095	-1.0 %
Panamax Cal 12	11,499	11,586	-0.8 %
Panamax Cal 13	11,683	11,780	-0.8 %
Supramax Front quarter	11,780	11,790	-0.1 %
PM4TC Cal 12	11,296	11,306	-0.1 %
PM4TC Cal 13	11,340	11,330	0.1 %
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 %



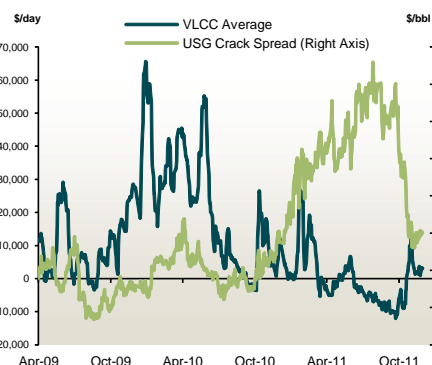
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

## Selected Indicators

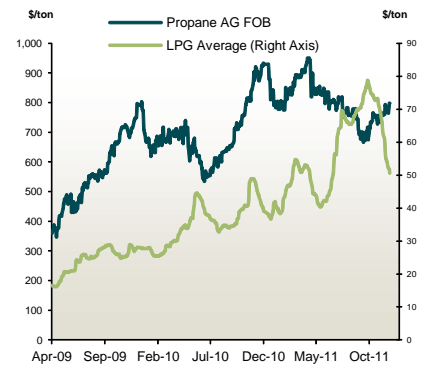
### Dry Bulk



### Tanker



### Gas



Source: Bloomberg / Lorentzen & Stemoco AS





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# General Disclaimer



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