



Lorentzen & Stemoco

Joint Shipping Service Morning Report



November 22, 2011

Dry Bulk Market

	Today	Previous	Change	Change YTD
Average TCEs				
Capesize (\$/day)	\$27,523	\$28,340	-2.9 %	47.2 %
Panamax (\$/day)	\$14,710	\$14,635	0.5 %	2.8 %
Supramax (\$/day)	\$14,463	\$14,438	0.2 %	-2.7 %
BDI	1,874	1,895	-1.1 %	10.7 %
Dry Commodities				
India Iron Ore China Landed 63% Fe (\$/ton)	\$143	\$143	0.0 %	-18.8 %
China Average HR Sheet (\$/ton)	\$665	\$666	-0.2 %	-4.6 %
Amsterdam Coal API#2 (\$/ton)	\$113.50	\$113.50	0.0 %	-14.0 %
Red Hard Wheat KCBT (\$/bushel)	\$6.45	\$6.47	-0.3 %	-16.8 %

Iron ore, which has surged 24 percent this month, may resume a decline as steelmakers in China, the world's biggest consumer, restrict output due to falling demand, according to Peter Arden, an analyst at Ord Minnett Ltd, says Bloomberg. After losing 31 percent in October, the biggest loss since at least December 2008, spot ore surged to USD 147.40 per metric ton yesterday, The Steel Index Ltd. data show. A seasonal upturn won't be enough to offset weakness in demand, said Arden, a former geologist who's followed prices for the past 15 years. "Iron-ore prices have risen dramatically since the belting they got last month but they may get another belting soon," Arden said in a phone interview from Melbourne today.

Tanker Market

	Today	Previous	Change	Change YTD
Average TCEs				
VLCC TD3 MEG-Japan (\$/day)	\$23,246	\$22,435	3.6 %	43.5 %
Suez Average (\$/day)	\$7,686	\$7,009	9.7 %	-63.9 %
Aframax Average (\$/day)	\$3,676	\$3,437	7.0 %	-61.0 %
MR Average (\$/day)	\$9,493	\$9,264	2.5 %	-8.8 %
Oil Commodities				
Brent Front Month (\$/bbl)	\$107.25	\$106.88	0.3 %	13.1 %
WTI Front Month (\$/bbl)	\$96.92	\$97.41	-0.5 %	6.3 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0.23	-\$0.22	-4.5 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	-\$4.78	-\$23.02	\$18.2	-

Lloyd's List reports that drive for energy independence fuels surge in shale gas production. The US is desperate to be energy independent, free from the shackles of Middle Eastern oil imports, which has led it to exploit its vast shale gas reserves in the face of persistent opposition by green groups who decry extraction methods. Moreover, such a powerful nation built on the foundations of free market capitalism is certainly not averse to making a few extra dollars out of its gas — and for anyone wondering if there will be enough cheap US gas left over to export, a look at the figures should convince them otherwise. Over the last decade, US shale gas production has soared

Gas Market

	Today	Previous	Change	Change YTD
Freight Rates				
LPG Average (\$/ton)	70.56	71.19	-0.9 %	84.2 %
Gas Commodities				
Propane AG Spot (\$/ton)	734.50	746.00	-1.5 %	-19.6 %
Butane AG Spot (\$/ton)	779.50	791.00	-1.5 %	-13.2 %
Natural Gas (\$/MMBTU)	2.95	3.02	-2.3 %	-35.0 %
Bunkers				
380 cSt Fujairah	664.50	689.50	-3.6 %	27.9 %
380 cSt Rotterdam	656.50	660.50	-0.6 %	33.2 %
380 cSt Houston	665.00	674.50	-1.4 %	33.1 %

Lloyd's List writes that new opportunities for gas carriers are arising in wake of landmark liquefied natural gas deal. It has been the question on the lips of many gas market commentators for some time — will the US start exporting its vast quantities of recently discovered natural gas, thereby reshaping international energy markets? The question was met with a resounding yes at the end of October, when UK company BG Group signed an USD 8bn deal with Cheniere Energy to export liquefied natural gas from the US on ships over 20 years, the first deal of its kind. While the US has previously re-exported small volumes of LNG cargoes received from other countries, never before has gas originating in the US been liquefied and exported to international markets.

Source: Bloomberg / Lorentzen & Stemoco AS

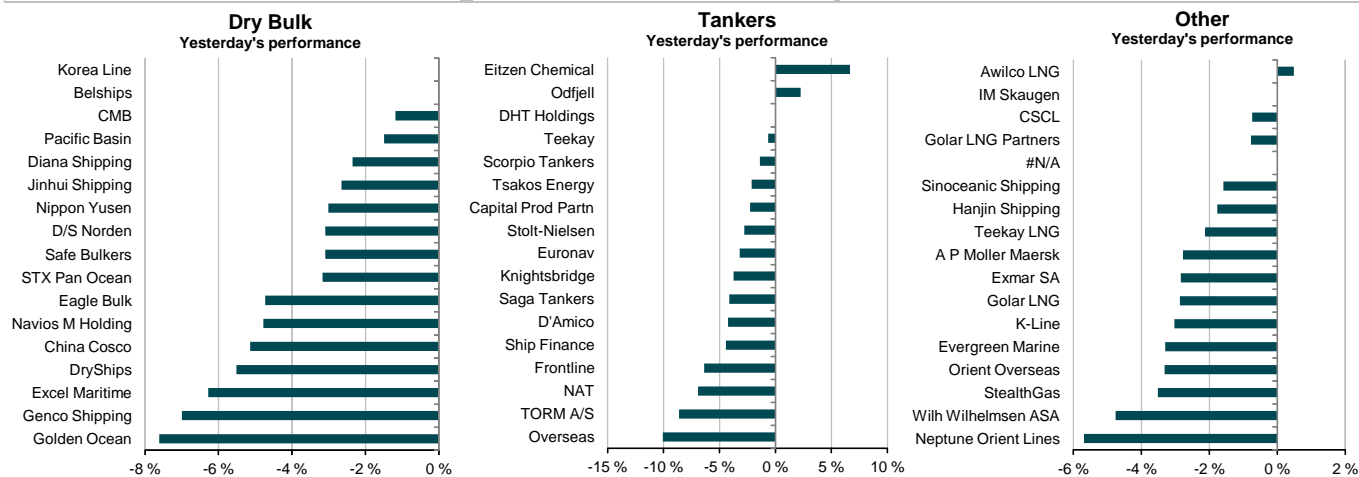
Shipping Equities

Selected news:

Frontline reported a net loss of \$166m for the third quarter (adjusted for impairment losses we calculate a net loss of \$46m). Due to the weak market and its current balance, the company said in its presentation that it is likely to be in the need of additional funding during 1Q12. Major shareholder Hemen Holding says further it is prepared to contribute to an overall solution.

According to Tradewinds, DS Norden (Buy tp DKK 200/share) considers selling its Supramax bulker Nord Maru (built 2006). The vessel was previously on charter to KLC and attracted much attention when it was inspected in the Greek port of Thessaloniki. Up to 30 potential buyers saw the ship that should change hands for \$24-26m, according to brokers.

Capital Product Partners LP yesterday announced it has secured a long-term time charter for its VLCC Achilleas (built 2010). The ship will earn \$28,000/day the first year plus profit share. The charterer, Capital Maritime & Trading Corp, CPLP's sponsor, has the option to extend the charter for a second and a third year at \$34,000/day and \$38,000/day respectively. Further, the company has amended certain terms of its charter for the Capesize Cape Agamemnon to COSCO Bulk. Rates have been reduced from \$53,100/day to \$42,200/day gross.



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

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Shipping Equities

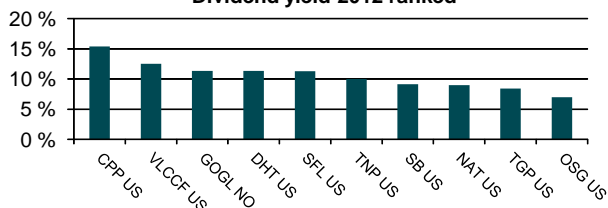


Dry bulk		(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing	
Company	Ticker	Last	1d	1w	1m	YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Golden Ocean	GOGL NO	4.10	-7.6 %	-10 %	-9 %	-49 %	322	4.9	4.6	7.1	6.6	13 %	11 %	63 %	
Jinhui Shipping	JIN NO	11.00	-2.7 %	-9 %	-19 %	-44 %	159	1.6	3.3	3.7	4.8	0 %	0 %	70 %	
CMB	CMB BB	15.90	-1.2 %	0 %	-8 %	-31 %	749	7.2	8.0	7.6	7.6	6 %	6 %	53 %	
DryShips	DRYS US	2.40	-5.5 %	-14 %	-8 %	-55 %	983	5.4	3.6	8.3	5.6	0 %	0 %	79 %	
Diana Shipping	DSX US	7.90	-2.3 %	-4 %	-1 %	-32 %	652	6.0	9.9	3.6	4.3	0 %	0 %	Neg.	
Genco Shipping	GNK US	8.11	-7.0 %	-13 %	-4 %	-44 %	292	11.5	na	7.1	8.8	0 %	0 %	83 %	
Navios M Holding	NM US	3.59	-4.8 %	-3 %	-3 %	-32 %	365	6.2	6.5	5.8	5.4	7 %	7 %	75 %	
Excel Maritime	EXM US	1.94	-6.3 %	-16 %	-39 %	-66 %	166	na	na	7.8	11.0	0 %	0 %	85 %	
Eagle Bulk	EGLE US	1.21	-4.7 %	-12 %	-22 %	-76 %	76	na	na	11.3	9.3	0 %	0 %	94 %	
Safe Bulkers	SB US	6.57	-3.1 %	-3 %	-2 %	-26 %	466	4.4	4.4	6.7	6.2	9 %	9 %	48 %	
Korea Line	005880 KS	7,500	0.0 %	0 %	0 %	-71 %	107	na	na	na	na	na	na	na	
STX Pan Ocean	STX SP	7.02	-3.2 %	-8 %	-9 %	-46 %	1,108	na	na	na	na	0 %	0 %	70 %	
Nippon Yusen	9101 JP	161	-3.0 %	-8 %	-19 %	-55 %	3,557	na	15.7	10.5	8.8	2 %	2 %	76 %	
Pacific Basin	2343 HK	3.30	-1.5 %	-5 %	-7 %	-36 %	820	na	14.1	7.4	6.6	2 %	3 %	22 %	
Belships	BEL NO	5.68	0.0 %	0 %	-7 %	-22 %	24	na	na	na	na	na	na	na	
China Cosco	1919 HK	3.51	-5.1 %	-11 %	-10 %	-57 %	8,318	na	na	na	na	0 %	0 %	33 %	
D/S Nordco	DNORD DC	144	-3.1 %	-7 %	-9 %	-29 %	1,123	12.1	15.3	5.1	5.1	4 %	3 %	Neg.	
Market cap weighted average			-4.1 %	-9.1 %	-10.8 %	-50.3 %		7.4	11.6	8.0	7.1	2 %	2 %		

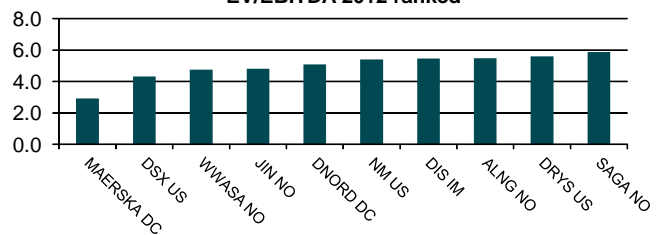
Tankers		(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing	
Company	Ticker	Last	1d	1w	1m	YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Frontline	FRO NO	31	-6.4 %	-9 %	12 %	-80 %	411	na	na	12.8	11.7	3 %	2 %	85 %	
Ship Finance	SFL US	13.81	-4.4 %	-7 %	1 %	-36 %	1,093	8.3	8.4	13.9	12.4	11 %	11 %	64 %	
Euronav	EURN BB	3.34	-3.2 %	-1 %	8 %	-74 %	233	na	na	9.8	11.5	0 %	0 %	84 %	
Capital Prod Partn	CPP US	6.04	-2.3 %	-2 %	-14 %	-38 %	419	na	na	12.1	9.6	15 %	15 %	58 %	
Teekay	TK US	27.89	-0.6 %	-1 %	8 %	-16 %	1,952	na	na	10.8	8.7	5 %	5 %	72 %	
Overseas	OSG US	12.58	-10.1 %	-12 %	-5 %	-64 %	383	na	na	na	16.1	10 %	7 %	84 %	
NAT	NAT US	13.34	-6.9 %	-8 %	-7 %	-49 %	631	na	na	na	18.5	9 %	9 %	22 %	
Tsakos Energy	TNP US	5.99	-2.1 %	-2 %	-1 %	-40 %	276	na	na	15.6	13.2	10 %	10 %	83 %	
Saga Tankers	SAGA NO	1.63	-4.1 %	-2 %	25 %	-71 %	24	na	na	5.4	5.9	0 %	0 %	20 %	
Knightsbridge	VLCFF US	15.98	-3.7 %	-10 %	-8 %	-28 %	390	11.7	12.8	7.6	7.6	13 %	13 %	18 %	
DHT Holdings	DHT US	1	0.0 %	-6 %	-42 %	-77 %	66	4.4	13.3	5.9	6.6	25 %	11 %	79 %	
Odfjell	ODF NO	31.60	2.3 %	-5 %	-17 %	-41 %	483	na	na	9.8	8.2	3 %	4 %	68 %	
TORM A/S	TORM DC	3.84	-8.6 %	-21 %	-45 %	-90 %	51	na	na	na	na	0 %	0 %	97 %	
Stolt-Nielsen	SNI NO	105.00	-2.8 %	-6 %	-5 %	-26 %	1,157	11.5	8.0	8.2	7.0	6 %	6 %	56 %	
Eitzen Chemical	ECHEM NO	0.16	6.7 %	0 %	14 %	-91 %	31	na	na	na	na	0 %	0 %	97 %	
Scorpio Tankers	STNG US	6.41	-1.4 %	-7 %	17 %	-37 %	116	na	na	na	17.6	0 %	0 %	53 %	
D'Amico	DIS IM	0.47	-4.2 %	-15 %	-22 %	-52 %	94	na	7.1	10.4	5.5	0 %	1 %	76 %	
Market cap weighted average			-3.0 %	-5.3 %	-1.4 %	-36.7 %		10.1	8.9	10.9	10.6	7 %	7 %		

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	237.00	-2.9 %	-2 %	10 %	166 %	3,250	na	19.5	na	13.5	3 %	3 %	22 %	
Golar LNG Partners	GLMP US	28.20	-0.8 %	-2 %	9 %	na	1,102	na	14.5	14.0	11.1	4 %	6 %	41 %	
Høegh LNG Holdings	HLNG NO	44.00	-1.1 %	6 %	7 %	na	342	na	na	na	na	0 %	0 %	47 %	
IM Skaugen	IMSK NO	28.50	0.0 %	-1 %	0 %	-23 %	133	na	15.8	18.6	9.7	0 %	0 %	51 %	
Exmar SA	EXM BB	5.14	-2.8 %	-7 %	4 %	-4 %	412	na	9.9	10.6	8.0	5 %	3 %	69 %	
Teekay LNG	TGP US	32	-2.1 %	-3 %	-10 %	-15 %	2,088	18.0	14.9	13.3	11.6	8 %	8 %	42 %	
StealthGas	GASS US	3.84	-3.5 %	-3 %	-6 %	-52 %	81	7.5	5.0	na	na	na	na	na	
Awilco LNG	ALNG NO	20.50	0.5 %	0 %	8 %	na	239	na	7.2	na	5.5	0 %	0 %	Neg.	
A P Moller Maersk	MAERSKA DC	32,240.00	-2.8 %	-5 %	-5 %	-34 %	26,364	11.2	10.4	2.9	2.9	3 %	3 %	36 %	
Evergreen Marine	EVGFZ US	14.65	-3.3 %	-8 %	-13 %	-47 %	1,682	na	na	na	10.7	0 %	0 %	32 %	
Sinoceanic Shipping	SINO NO	6	-1.6 %	-2 %	-2 %	-27 %	14	na	na	na	na	na	na	na	
Hanjin Shipping	000700 KS	7,230	-1.8 %	-8 %	-6 %	-61 %	278	na	na	na	na	na	na	na	
K-Line	9107 JP	128.00	-3.0 %	-7 %	-14 %	-64 %	1,273	na	na	na	15.2	0 %	0 %	82 %	
CSC	2866 HK	1.34	-0.7 %	-6 %	-1 %	-61 %	5,237	na	na	na	na	0 %	0 %	20 %	
Orient Overseas	316 HK	33.50	-3.3 %	-6 %	-1 %	-45 %	2,691	15.4	12.4	7.3	6.1	2 %	2 %	20 %	
Neptune Orient Lines	NOL SP	1.00	-5.7 %	-7 %	-8 %	-54 %	1,972	na	na	na	10.0	0 %	0 %	38 %	
Wilhelmsen ASA	WWASA NO	30	-4.8 %	-8 %	3 %	-29 %	1,134	7.7	5.3	5.5	4.8	3 %	4 %	50 %	
Market cap weighted average			-2.7 %	-5.3 %	-3.6 %	-25.1 %		11.9	11.6	4.5	5.7	3 %	3 %		

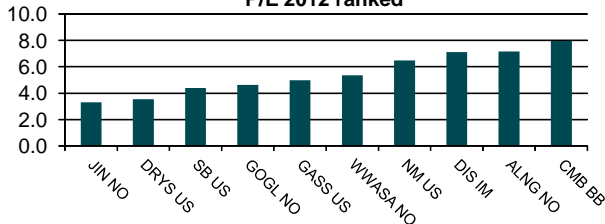
Dividend yield 2012 ranked



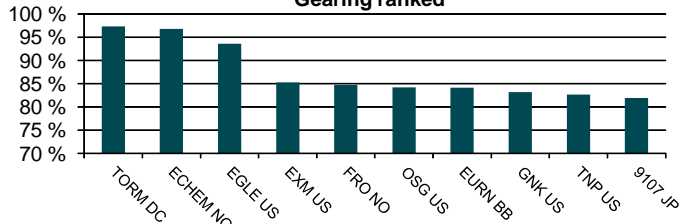
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS



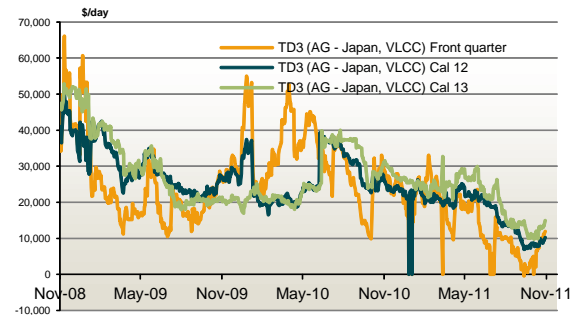
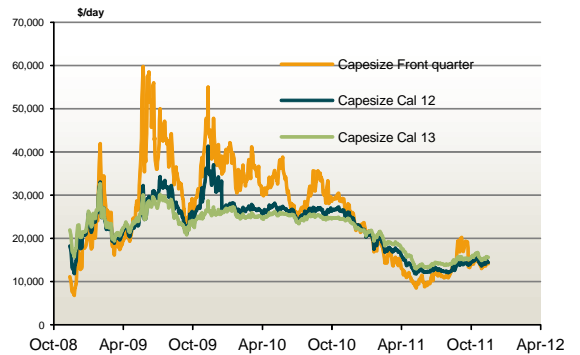
Currencies

	Today	Previous	Change
EURUSD	1.3515	1.3489	0.2 %
EURJPY	104.04	103.71	0.3 %
USDJPY	76.98	76.89	0.1 %
USDKRW	1,145.3	1,140.6	0.4 %
USDCNY	6.3608	6.3615	0.0 %
USDNOK	5.7938	5.7953	0.0 %



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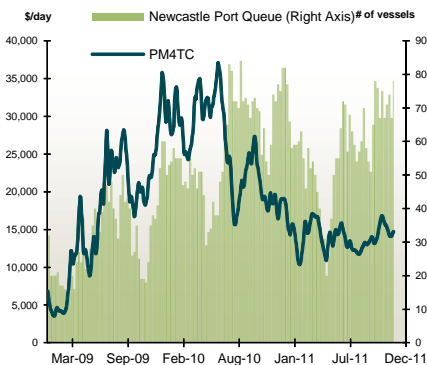
	Today	Previous	Change
Capesize Front quarter	14,200	14,329	-0.9 %
Capesize Cal 12	14,503	14,641	-0.9 %
Capesize Cal 13	15,688	15,721	-0.2 %
	(\$/day)	(\$/day)	
Panamax Front quarter	11,743	11,950	-1.7 %
Panamax Cal 12	11,782	11,901	-1.0 %
Panamax Cal 13	12,179	12,286	-0.9 %
Supramax Front quarter	12,383	12,613	-1.8 %
PM4TC Cal 12	11,978	12,130	-1.3 %
PM4TC Cal 13	12,150	12,217	-0.5 %
TD3 (AG - Japan, VLCC) Front quarter	11,934	11,045	8.1 %
TD3 (AG - Japan, VLCC) Cal 12	10,219	9,378	9.0 %
TD3 (AG - Japan, VLCC) Cal 13	14,934	13,437	11.1 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	13,902	13,162	5.6 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	12,519	11,877	5.4 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	16,410	15,601	5.2 %
TC2 (ARA - USEC, MR) Front quarter	9,103	8,534	6.7 %
TC2 (ARA - USEC, MR) Cal 12	9,153	8,674	5.5 %
TC2 (ARA - USEC, MR) Cal 13	10,471	10,034	4.4 %



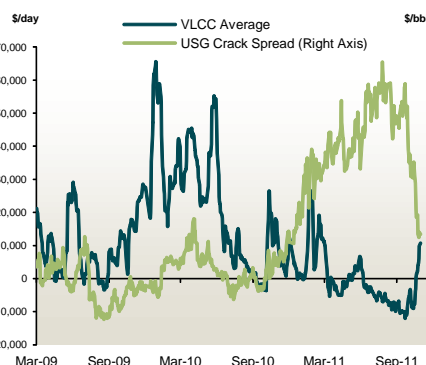
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

Selected Indicators

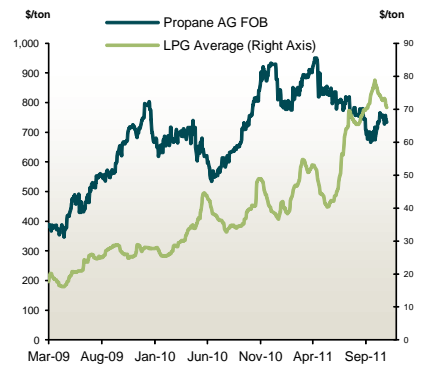
Dry Bulk



Tanker



Gas



Source: Bloomberg / Lorentzen & Stemoco AS





Lorentzen & Stemoco

General Disclaimer



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