



Lorentzen & Stemoco

Joint Shipping Service Morning Report



December 22, 2011

Dry Bulk Market

	Today	Previous	Change	Change YTD
Average TCEs				
Capesize (\$/day)	\$30,926	\$31,369	-1.4 %	65.4 %
Panamax (\$/day)	\$13,742	\$14,043	-2.1 %	-4.0 %
Supramax (\$/day)	\$12,408	\$12,410	0.0 %	-16.5 %
BDI	1,856	1,878	-1.2 %	9.6 %
Dry Commodities				
India Iron Ore China Landed 63% Fe (\$/ton)	\$141	\$141	0.0 %	-19.5 %
China Average HR Sheet (\$/ton)	\$667	\$666	0.2 %	-4.3 %
Amsterdam Coal API#2 (\$/ton)	\$111.72	\$111.72	0.0 %	-13.7 %
Red Hard Wheat KCBT (\$/bushel)	\$6.46	\$6.43	0.5 %	-16.7 %

Trading in shares of Gloucester Coal was suspended on Thursday, as China's Yancoal was said to be preparing a takeover offer estimated to be worth \$2 billion in what would be the latest foreign push into Australia's coal sector, writes Reuters. The Gloucester Coal and Yancoal boards were due to meet on Thursday to consider a deal, with an announcement expected later in the day or early Friday, a source close to the talks told Reuters

Tanker Market

	Today	Previous	Change	Change YTD
Average TCEs				
VLCC TD3 MEG-Japan (\$/day)	\$13,665	\$14,450	-5.4 %	-15.7 %
Suez Average (\$/day)	\$27,392	\$25,032	9.4 %	28.5 %
Aframax Average (\$/day)	\$15,554	\$15,292	1.7 %	64.8 %
MR Average (\$/day)	\$17,712	\$17,554	0.9 %	70.2 %
Oil Commodities				
Brent Front Month (\$/bbl)	\$108.19	\$107.71	0.4 %	14.1 %
WTI Front Month (\$/bbl)	\$98.67	\$97.22	1.5 %	8.5 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0.73	-\$0.68	-7.4 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	\$11.08	\$7.52	\$3.6	-

Oil traded near the highest level in more than a week as the biggest drop in U.S. crude inventories in a decade countered concern Europe's debt crisis will worsen, writes Bloomberg. Futures were little changed after gaining 1.5 percent yesterday as Energy Department data showed stockpiles fell 10.6 million barrels, the largest decrease by volume since February 2001. Crude oil imports were down to 7.581 m bbls day for the week ended December 16 compared to 8.322 m bbls day for the previous week. Sustained crude oil stock draws is a positive indicator for increased crude imports in the months ahead which supports tanker earnings

Gas Market

	Today	Previous	Change	Change YTD
Freight Rates				
LPG Average (\$/ton)	46.69	50.69	-7.9 %	21.9 %
Gas Commodities				
Propane AG Spot (\$/ton)	805.00	797.50	0.9 %	-11.8 %
Butane AG Spot (\$/ton)	855.00	852.50	0.3 %	-4.8 %
Natural Gas (\$/MMBTU)	3.03	3.07	-1.3 %	-33.3 %
Bunkers				
380 cSt Fujairah	673.50	663.50	1.5 %	29.6 %
380 cSt Rotterdam	614.50	606.00	1.4 %	24.6 %
380 cSt Houston	624.50	617.00	1.2 %	25.0 %

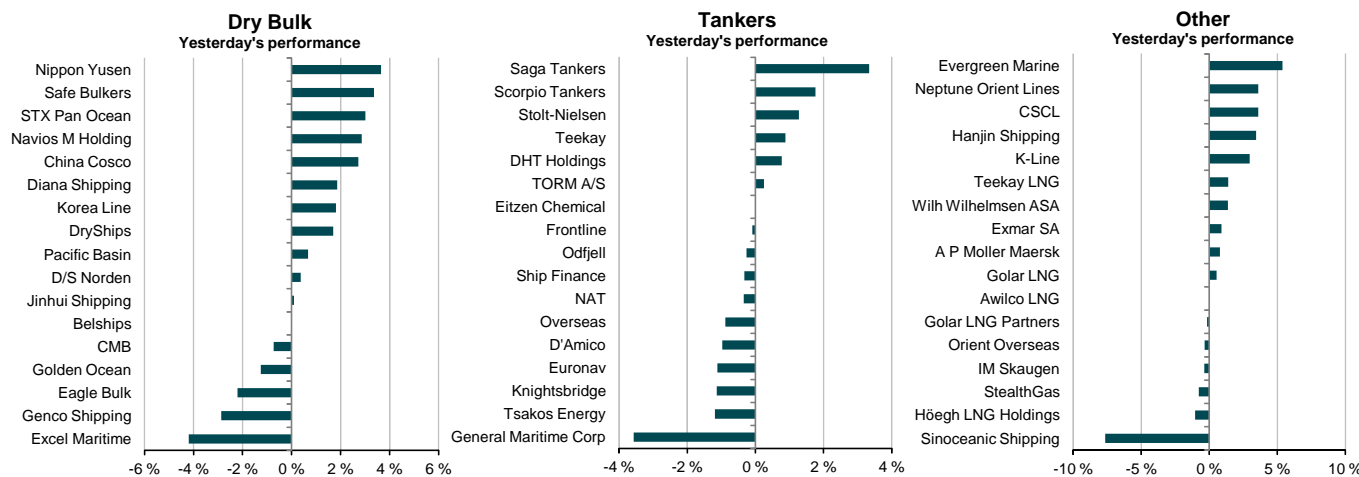
Energia Argentina SA bought 10 additional liquefied natural gas cargoes for delivery at its Bahia Blanca terminal next year, the company said, writes Bloomberg. The company known as Enarsa announced the purchases Dec. 20, two weeks after it bought 48 LNG cargoes for delivery in 2012, the Oil Daily said. Enarsa paid a premium of \$2 per million British thermal units above the original set price of \$11 per million Btu, the newsletter said, citing unidentified sources involved in the transaction

Source: Bloomberg / Lorentzen & Stemoco AS

Shipping Equities

Selected news:

32 years ago, in December 1979, the 256,000 dwt turbine tanker Bolette (built 1974) was sold to World Wide for \$25m, or \$91m in 2011-dollars. One year later prices had started falling and Onassis paid \$16m for the 1975-built 268,000-dwt t/t Lotur in December 1980. However, this correction was only the beginning of a sharp decline in asset values. The 314,000 dwt t/t Brazilian Peace (built 1976) changed hands for \$3.25m in October 1982 while Stena paid \$3.6m for the 264,000 dwt Santillana (1977) six months into 1983. In this period, owners started phasing out excess tonnage. 174 U/VLCCs were phased out in the 1980-1983 period while another 117 units left the market in 1984 and 1985, ultimately contributing in tightening the tanker market balance and again drive up asset values. In 1985 prices were on the upswing, represented by the sale of the 1979-built t/t Nogueira sold to Bulk Transport for \$6.5m. Today, 5-year old VLCCs are quoted at levels around \$55m which is down from \$150m three years ago. As history shows, asset values will come up again, however shipowners need to take action in correcting supply in order to improve the market balance. We will follow the further development closely in 2012. Until then, we wish all our readers a Merry Christmas!



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



Lorentzen & Stemoco

Shipping Equities

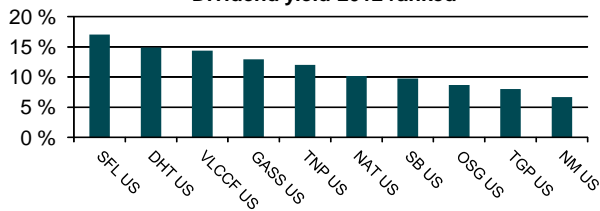


Dry bulk		(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing	
Company	Ticker	Last	1d	1w	1m	YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Golden Ocean	GOGL NO	3.95	-1.2 %	-1 %	-4 %	-51 %	305	4.6	4.3	6.8	6.4	9 %	6 %	64 %	
Jinhui Shipping	JIN NO	9.80	0.1 %	-2 %	-11 %	-50 %	139	1.6	2.9	3.5	4.6	0 %	0 %	72 %	
CMB	CMB BB	16.29	-0.7 %	5 %	2 %	-29 %	744	7.4	8.1	7.7	7.8	6 %	6 %	53 %	
DryShips	DRYS US	2.09	1.7 %	-2 %	-13 %	-61 %	856	4.8	3.2	8.1	5.5	0 %	0 %	81 %	
Diana Shipping	DSX US	7.66	1.9 %	-4 %	-3 %	-34 %	633	5.8	10.1	3.6	4.3	0 %	0 %	Neg.	
Genco Shipping	GNK US	6.44	-2.9 %	-4 %	-21 %	-55 %	232	8.9	na	6.8	8.6	0 %	0 %	86 %	
Navios M Holding	NM US	3.59	2.9 %	2 %	0 %	-32 %	365	6.2	6.5	5.7	5.4	7 %	7 %	75 %	
Excel Maritime	EXM US	1.60	-4.2 %	-8 %	-18 %	-72 %	137	na	na	7.6	10.7	0 %	0 %	88 %	
Eagle Bulk	EGLE US	1.00	-2.2 %	-7 %	-18 %	-80 %	63	na	na	11.0	9.2	0 %	0 %	95 %	
Safe Bulkers	SB US	6.16	3.4 %	2 %	-6 %	-30 %	437	4.1	4.1	6.5	6.0	10 %	10 %	50 %	
Korea Line	005880 KS	28,100	1.8 %	4 %	-33 %	-81 %	324	na	na	na	na	na	na	na	
STX Pan Ocean	STX SP	6.50	3.0 %	-1 %	-7 %	-50 %	1,032	na	na	na	na	0 %	0 %	71 %	
Nippon Yusen	9101 JP	199	3.6 %	6 %	24 %	-45 %	4,340	na	na	13.2	9.6	2 %	2 %	73 %	
Pacific Basin	2343 HK	3.02	0.7 %	-3 %	-8 %	-42 %	752	19.5	12.9	6.3	6.0	3 %	4 %	22 %	
Belships	BEL NO	4.90	0.0 %	-4 %	-14 %	-32 %	21	na	na	na	na	na	na	na	
China Cosco	1919 HK	3.77	2.7 %	4 %	7 %	-54 %	7,640	na	na	na	na	0 %	0 %	35 %	
D/S Nordco	DNORD DC	135	0.4 %	3 %	-7 %	-33 %	1,018	11.0	13.9	4.5	4.4	4 %	4 %	Neg.	
Market cap weighted average			2.3 %	3.1 %	5.4 %	-48.5 %		8.5	8.6	9.2	7.5	2 %	2 %		

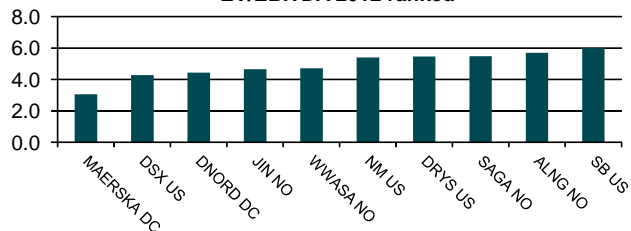
Tankers		(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing	
Company	Ticker	Last	1d	1w	1m	YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Frontline	FRO NO	22	-0.1 %	11 %	-28 %	-85 %	289	na	na	12.3	15.7	3 %	0 %	89 %	
Ship Finance	SFL US	9.17	-0.3 %	-6 %	-34 %	-57 %	726	5.6	6.2	12.7	11.5	17 %	17 %	73 %	
Euronav	EURN BB	3.56	-1.1 %	6 %	7 %	-72 %	240	na	na	9.7	11.5	0 %	0 %	83 %	
General Maritime Corp	GMRRQ US	0.01	-3.6 %	-21 %	-65 %	-100 %	2	na	na	na	na	0 %	0 %	100 %	
Teekay	TK US	26.47	0.9 %	3 %	-5 %	-20 %	1,853	na	na	10.6	8.6	5 %	5 %	73 %	
Overseas	OSG US	10.13	-0.9 %	9 %	-19 %	-71 %	309	na	na	na	15.6	13 %	9 %	87 %	
NAT	NAT US	11.81	-0.3 %	-2 %	-11 %	-55 %	558	na	na	na	17.8	10 %	10 %	25 %	
Tsakos Energy	TNP US	4.99	-1.2 %	-4 %	-17 %	-50 %	230	na	na	15.2	12.8	12 %	12 %	85 %	
Saga Tankers	SAGA NO	1.55	3.3 %	0 %	-5 %	-72 %	23	na	na	5.2	5.5	0 %	0 %	21 %	
Knightsbridge	NLCCF US	13.95	-1.1 %	-4 %	-13 %	-37 %	341	10.1	11.2	6.9	6.8	14 %	14 %	20 %	
DHT Holdings	DHT US	1	0.8 %	9 %	-24 %	-83 %	50	3.5	10.1	5.6	6.2	32 %	15 %	83 %	
Odfjell	ODF NO	37.70	-0.3 %	1 %	19 %	-30 %	543	na	na	9.9	7.4	3 %	3 %	66 %	
TORM A/S	TORM DC	3.96	0.3 %	6 %	3 %	-90 %	51	na	na	na	na	0 %	0 %	97 %	
Stolt-Nielsen	SNI NO	119.00	1.3 %	3 %	13 %	-16 %	1,288	12.7	10.0	8.4	7.2	5 %	5 %	53 %	
Eitzen Chemical	EICHEM NO	0.15	0.0 %	0 %	-6 %	-92 %	29	na	na	na	na	0 %	0 %	97 %	
Scorpio Tankers	STNG US	5.21	1.8 %	17 %	-19 %	-48 %	94	na	na	16.2	15.2	0 %	0 %	51 %	
D'Amico	DIS IM	0.47	-1.0 %	6 %	1 %	-52 %	92	na	na	12.0	6.1	0 %	3 %	73 %	
Market cap weighted average			0.2 %	1.9 %	-5.4 %	-38.3 %		10.0	9.1	10.4	10.2	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	261.70	0.5 %	1 %	10 %	193 %	3,523	na	na	na	14.3	3 %	3 %	22 %	
Golar LNG Partners	GLMP US	29.62	-0.2 %	2 %	5 %	na	1,157	na	15.2	14.4	11.4	5 %	6 %	39 %	
Høegh LNG Holdings	HLNG NO	47.50	-1.0 %	1 %	8 %	na	363	na	na	na	na	0 %	0 %	48 %	
IM Skaugen	IMSK NO	27.90	-0.4 %	-3 %	-2 %	-24 %	128	na	15.2	18.2	9.5	0 %	0 %	52 %	
Exmar SA	EXM BB	5.65	0.9 %	4 %	10 %	5 %	439	na	9.8	12.1	8.3	5 %	3 %	67 %	
Teekay LNG	TGP US	34	1.4 %	3 %	5 %	-11 %	2,190	18.9	15.7	13.7	11.9	7 %	8 %	41 %	
StealthGas	GASS US	3.87	-0.8 %	0 %	1 %	-51 %	82	5.9	4.4	7.4	6.6	0 %	13 %	na	
Awilco LNG	ALNG NO	24.00	0.0 %	7 %	17 %	na	274	na	7.9	na	5.7	0 %	0 %	Neg.	
A P Moller Maersk	MAERSKA DC	33,600.00	0.8 %	3 %	4 %	-32 %	26,646	11.8	10.4	3.0	3.1	3 %	3 %	36 %	
Evergreen Marine	EVGZF US	14.70	5.4 %	2 %	0 %	-47 %	1,686	na	na	na	12.5	0 %	0 %	32 %	
Sinoceanic Shipping	SINO NO	4	-7.7 %	-5 %	-43 %	-59 %	8	na	na	na	na	na	na	na	
Hanjin Shipping	000700 KS	7,220	3.4 %	-2 %	0 %	-61 %	275	na	na	na	na	na	na	na	
K-Line	9107 JP	139.00	3.0 %	-1 %	9 %	-61 %	1,364	na	na	na	14.5	0 %	0 %	81 %	
CSC	2866 HK	1.73	3.6 %	8 %	29 %	-50 %	5,354	na	na	na	na	0 %	0 %	22 %	
Orient Overseas	316 HK	42.25	-0.4 %	3 %	26 %	-30 %	3,398	na	19.2	10.4	9.0	1 %	2 %	16 %	
Neptune Orient Lines	NOL SP	1.15	3.6 %	0 %	16 %	-47 %	2,292	na	na	na	13.8	0 %	0 %	38 %	
With Wilhelmsen ASA	WWASA NO	29	1.4 %	2 %	-2 %	-31 %	1,091	7.6	5.2	5.5	4.7	3 %	4 %	51 %	
Market cap weighted average			1.3 %	3.1 %	9.3 %	-18.2 %		12.1	11.5	5.0	6.5	2 %	3 %		

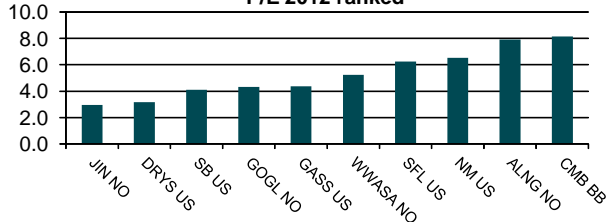
Dividend yield 2012 ranked



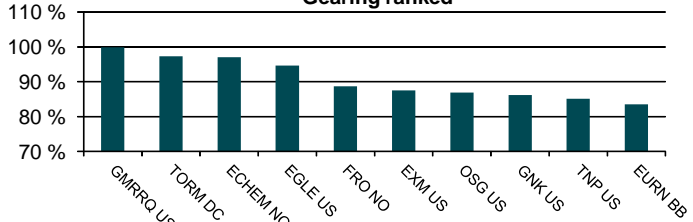
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS



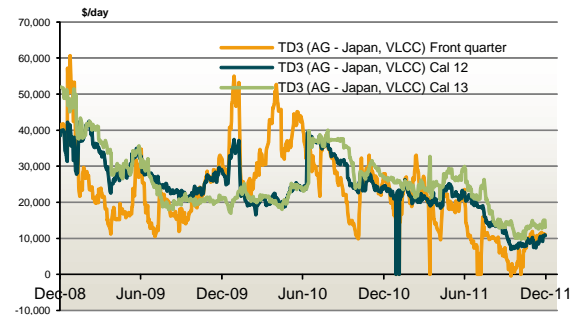
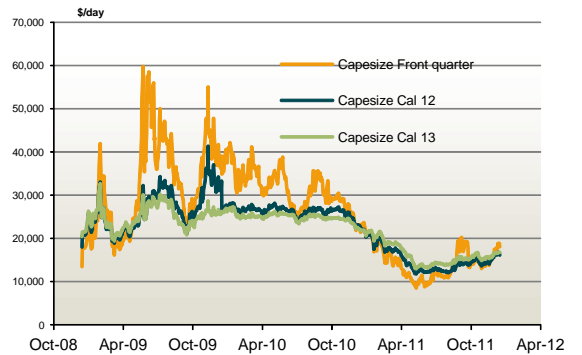
Currencies

	Today	Previous	Change
EURUSD	1.3113	1.3047	0.5 %
EURJPY	102.3	101.86	0.4 %
USDJPY	78.01	78.06	-0.1 %
USDKRW	1,156.2	1,149.3	0.6 %
USDCNY	6.3396	6.3391	0.0 %
USDNOK	5.8977	5.9262	-0.5 %



FFAs

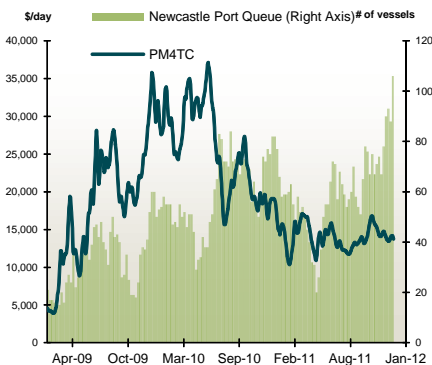
	Today	Previous	Change
Capesize Front quarter	18,129	18,850	-3.8 %
Capesize Cal 12	16,173	16,658	-2.9 %
Capesize Cal 13	16,754	16,870	-0.7 %
	(\$/day)	(\$/day)	
Panamax Front quarter	11,832	11,975	-1.2 %
Panamax Cal 12	11,413	11,499	-0.7 %
Panamax Cal 13	11,632	11,683	-0.4 %
Supramax Front quarter	11,704	11,780	-0.6 %
PM4TC Cal 12	11,257	11,296	-0.3 %
PM4TC Cal 13	11,313	11,340	-0.2 %
TD3 (AG - Japan, VLCC) Front quarter	11,013	11,099	-0.8 %
TD3 (AG - Japan, VLCC) Cal 12	10,785	10,892	-1.0 %
TD3 (AG - Japan, VLCC) Cal 13	13,086	15,016	-12.9 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	15,995	16,707	-4.3 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	13,040	13,809	-5.6 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	14,935	16,265	-8.2 %
TC2 (ARA - USEC, MR) Front quarter	10,465	11,066	-5.4 %
TC2 (ARA - USEC, MR) Cal 12	9,561	10,026	-4.6 %
TC2 (ARA - USEC, MR) Cal 13	10,044	10,757	-6.6 %



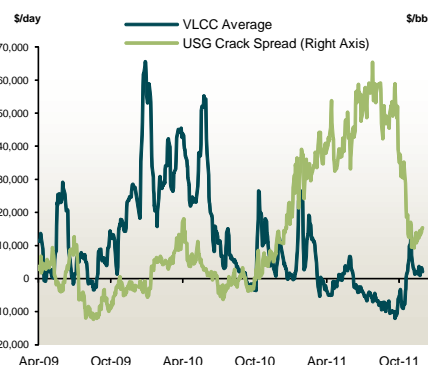
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

Selected Indicators

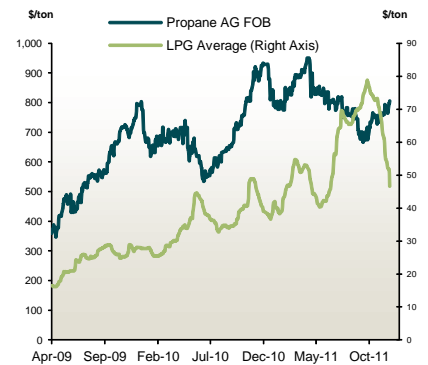
Dry Bulk



Tanker



Gas



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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 - Vikta
N-0115 OSLO
Norway

Shipping Equity Research

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

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