



Lorentzen & Stemoco

Joint Shipping Service Morning Report



October 31, 2011

Dry Bulk Market

	Today	Previous	Change	Change YTD
Average TCEs				
Capesize (\$/day)	\$28 214	\$30 416	-7,2 %	50,9 %
Panamax (\$/day)	\$15 521	\$15 562	-0,3 %	8,4 %
Supramax (\$/day)	\$16 155	\$16 306	-0,9 %	8,7 %
BDI	2 018	2 091	-3,5 %	19,2 %
Dry Commodities				
India Iron Ore China Landed 63% Fe (\$/ton)	\$157	\$157	0,0 %	-10,7 %
China Average HR Sheet (\$/ton)	\$669	\$665	0,6 %	-4,0 %
Amsterdam Coal API#2 (\$/ton)	\$118,85	\$118,50	0,3 %	-5,6 %
Red Hard Wheat KCBT (\$/bushel)	\$7,18	\$6,96	3,2 %	-8,9 %

TradeWinds refers to our recent report about bulk carrier demolitions. "A Norwegian shipbroker has highlighted the large number of bulk carriers sold for scrap. Oslo-based Lorentzen and Stemoco has reported that nearly 300 bulkers have been withdrawn from the market so far in 2011. Total deadweight is 19.6m tonnes, the largest figure on record. The broker estimates that the final annual number will amount to more than 26m tonnes by end-December. It suggests that weak markets in the first half of the year, together with high bunker prices have condemned most of these to the scrap heap. High scrap prices have also encouraged owners to rid themselves of uneconomic units."

Tanker Market

	Today	Previous	Change	Change YTD
Average TCEs				
VLCC TD3 MEG-Japan (\$/day)	\$2 823	\$7 297	-61,3 %	-82,6 %
Suez Average (\$/day)	\$18 636	\$20 450	-8,9 %	-12,6 %
Aframax Average (\$/day)	\$3 974	\$5 570	-28,7 %	-57,9 %
MR Average (\$/day)	\$12 112	\$11 818	2,5 %	16,4 %
Oil Commodities				
Brent Front Month (\$/bbl)	\$109,33	\$109,91	-0,5 %	15,3 %
WTI Front Month (\$/bbl)	\$93,32	\$93,96	-0,7 %	1,4 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0,60	-\$0,60	0,0 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	-\$7,33	\$15,23	-22,6 %	-

Libya's crude oil exports will jump to almost 350,000 barrels per day in November, more than double the volume sold the previous month, sources at the National Oil Company (NOC) told Reuters in an interview on Sunday. The NOC plans to sell a total of up to 14 cargoes of oil from several fields, primarily in the east and at offshore sites which escaped the worst of the damage inflicted by the war and located in areas that were liberated soon after the uprising.

Gas Market

	Today	Previous	Change	Change YTD
Freight Rates				
LPG Average (\$/ton)	74,69	74,94	-0,3 %	95,0 %
Gas Commodities				
Propane AG Spot (\$/ton)	731,00	734,50	-0,5 %	-19,9 %
Butane AG Spot (\$/ton)	786,00	784,50	0,2 %	-12,5 %
Natural Gas (\$/MMBTU)	3,63	3,59	1,1 %	-20,0 %
Bunkers				
380 cSt Fujairah	691,50	690,50	0,1 %	33,1 %
380 cSt Rotterdam	646,50	646,50	0,0 %	31,1 %
380 cSt Houston	659,00	665,00	-0,9 %	31,9 %

Ras Laffan Liquefied Natural Gas Co., Qatar's second-biggest producer of LNG also known as RasGas, extended a long-term supply agreement with Electricite de France SA, writes Bloomberg. RasGas will deliver as much as 3.4 million metric tons (4.5 billion cubic meters) of LNG a year to Belgium's Zeebrugge terminal, according to the agreement with EDF Trading, the companies said in a statement received by e-mail today. The companies signed an agreement to supply the same volume in April 2007, according to the statement.

Source: Bloomberg / Lorentzen & Stemoco AS

Shipping Equities

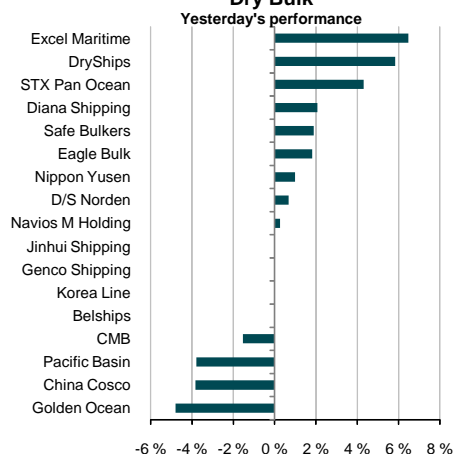
Selected news:

Japan's Meiji Shipping has made it back into the black in the first half of its financial year. The tanker and bulker owner said net earnings were JPY 40m (\$527,000) to 30 September, against a loss of JPY 46m in the previous half-year. Earlier this year it was predicting profit of JPY 100m, before cutting this figure. Revenues were JPY 10.06bn, down slightly from JPY 10.57bn in 2010. Meiji has four VLCCs, five aframaxs, seven products tankers, six bulkers, four car carriers and two LPG units.

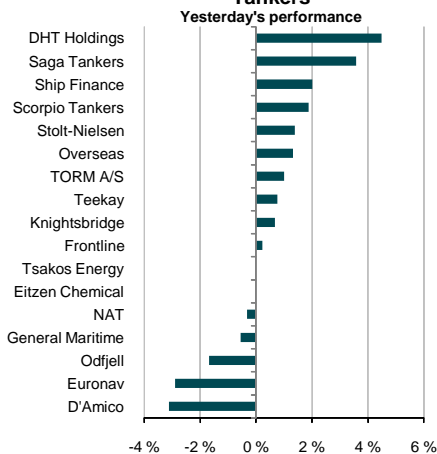
Tokyo-based bulk carrier owner, Daiichi Chuo Kisen Kaisha has reported a loss of JPY 3.99bn (\$52.6m) for the six months to 30 September. The company said that the shipping market has shown signs of recovery since August this year and that the scrapping of older tonnage had progressed. But it cautioned: "the sentiment in the market is that there is still excess tonnage in all sectors and this has led to a continuation of the recession in the market", according to tradewinds.

Hong Kong-listed CSCL has booked eight firm 10,000-dwt ships at two yards in its homeland with options for four more. Delivery of the firm batch of vessels, costing \$94.28m each, will be completed by the close of November 2013. The options, which sport the same price tag, will hit the water in the second half of 2014 should they be taken up.

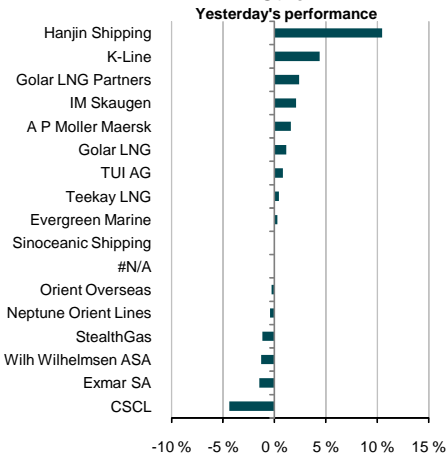
Dry Bulk



Tankers



Other



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



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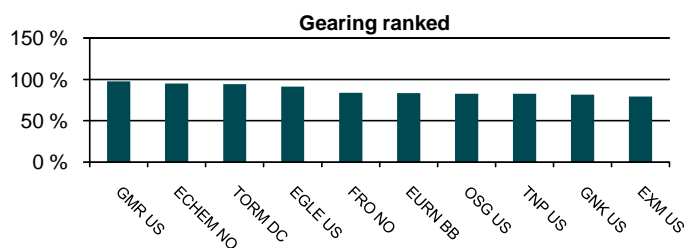
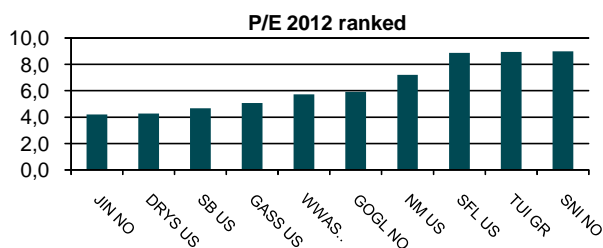
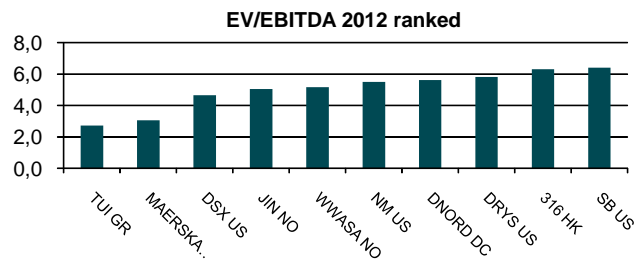
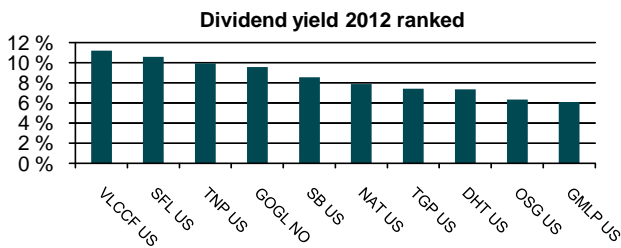
Shipping Equities



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	4,52	-4,8 %	-4 %	12 %	-44 %	382	6,1	5,9	7,9	7,4	12 %	10 %	60 %	
Jinhui Shipping	JIN NO	13,00	0,0 %	-6 %	29 %	-33 %	202	2,0	4,2	3,8	5,1	0 %	0 %	64 %	
CMB	CMB BB	17,40	-1,5 %	-1 %	2 %	-25 %	863	8,3	9,2	8,1	7,6	6 %	6 %	52 %	
DryShips	DRYS US	2,90	5,8 %	8 %	14 %	-45 %	1 184	6,4	4,3	8,5	5,8	0 %	0 %	76 %	
Diana Shipping	DSX US	8,41	2,1 %	4 %	7 %	-27 %	694	6,4	10,5	4,0	4,6	0 %	0 %	Neg.	
Genco Shipping	GNK US	9,18	0,0 %	5 %	20 %	-36 %	330	16,4	na	7,5	9,2	0 %	0 %	81 %	
Navios M Holding	NM US	3,95	0,3 %	4 %	18 %	-25 %	402	6,8	7,2	6,0	5,5	6 %	6 %	73 %	
Excel Maritime	EXM US	2,96	6,5 %	-5 %	36 %	-47 %	254	na	na	8,4	12,0	0 %	0 %	79 %	
Eagle Bulk	EGLU US	1,68	1,8 %	7 %	-1 %	-66 %	105	na	na	11,3	9,3	0 %	0 %	91 %	
Safe Bulkers	SB US	7,01	1,9 %	5 %	9 %	-21 %	497	4,7	4,7	7,0	6,4	9 %	9 %	47 %	
Korea Line	005880 KS	7 500	0,0 %	0 %	-5 %	-71 %	110	na	na	na	na	na	na	na	
STX Pan Ocean	STX SP	8,24	4,3 %	3 %	0 %	-37 %	1 367	na	na	na	19,6	0 %	0 %	64 %	
Nippon Yusen	9101 JP	206	1,0 %	3 %	-2 %	-43 %	4 624	na	14,7	10,2	8,1	2 %	2 %	72 %	
Pacific Basin	2343 HK	3,55	-3,8 %	0 %	16 %	-31 %	886	na	15,2	7,2	6,9	2 %	2 %	20 %	
Belships	BEL NO	6,00	0,0 %	-2 %	0 %	-17 %	28	na	na	na	na	na	na	na	
China Cosco	1919 HK	4,26	-3,8 %	0 %	28 %	-48 %	9 570	na	na	na	na	0 %	0 %	30 %	
D/S Nordco	DNORD DC	163	0,7 %	0 %	6 %	-19 %	1 336	13,3	17,0	6,0	5,6	5 %	4 %	Neg.	
Market cap weighted average			-0,9 %	1,6 %	15,0 %	-41,3 %		8,5	12,0	8,2	8,5	1 %	1 %		

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	0,2 %	8 %	3 %	-79 %	444	na	na	12,2	11,6	3 %	1 %	84 %	
Ship Finance	SFL US	14,74	2,0 %	4 %	13 %	-32 %	1 166	8,8	8,9	14,3	12,8	11 %	11 %	63 %	
Euronav	EURN BB	3,35	-2,9 %	11 %	-24 %	-74 %	246	na	na	9,2	10,6	0 %	0 %	83 %	
General Maritime	GMR US	0,27	-0,6 %	-7 %	-4 %	-92 %	33	na	na	na	na	0 %	0 %	98 %	
Teekay	TK US	26,32	0,8 %	2 %	12 %	-20 %	1 842	na	na	10,4	8,4	5 %	5 %	73 %	
Overseas	OSG US	13,85	1,3 %	4 %	-8 %	-61 %	422	na	na	na	12,9	9 %	6 %	83 %	
NAT	NAT US	15,26	-0,3 %	6 %	2 %	-41 %	721	na	na	na	16,7	8 %	8 %	18 %	
Tsakos Energy	TNP US	6,04	0,0 %	0 %	5 %	-40 %	279	na	na	13,9	9,5	10 %	10 %	83 %	
Saga Tankers	SAGA NO	1,45	3,6 %	12 %	-28 %	-74 %	23	na	na	3,4	6,7	0 %	0 %	60 %	
Knightsbridge	NKCCF US	17,85	0,7 %	2 %	8 %	-20 %	436	12,8	12,8	8,3	8,1	11 %	11 %	16 %	
DHT Holdings	DHT US	2	4,5 %	-13 %	-19 %	-65 %	102	7,1	na	6,7	7,6	16 %	7 %	71 %	
Odfjell	ODF NO	35,20	-1,7 %	-6 %	3 %	-35 %	561	na	na	9,4	7,9	0 %	4 %	67 %	
TORM A/S	TORM DC	8,10	1,0 %	12 %	8 %	-79 %	112	na	na	na	11,8	0 %	0 %	94 %	
Stolt-Nielsen	SNI NO	110,00	1,4 %	0 %	3 %	-23 %	1 303	12,9	9,0	8,6	7,3	5 %	5 %	53 %	
Eitzen Chemical	ECHM NO	0,23	0,0 %	92 %	28 %	-87 %	48	na	na	na	na	0 %	0 %	95 %	
Scorpio Tankers	STNG US	6,51	1,9 %	17 %	31 %	-36 %	118	na	na	14,7	12,9	0 %	0 %	53 %	
D'Amico	DIS IM	0,57	-3,1 %	-5 %	-4 %	-41 %	122	na	13,8	13,2	6,9	0 %	1 %	71 %	
Market cap weighted average			0,6 %	3,0 %	5,6 %	-35,8 %		11,1	9,7	10,8	10,2	6 %	6 %		

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	221,00	1,1 %	2 %	18 %	148 %	3 256	na	19,4	na	14,2	3 %	3 %	21 %	
Golar LNG Partners	GMLP US	29,00	2,4 %	12 %	13 %	na	1 133	19,5	15,5	13,2	10,7	4 %	6 %	34 %	
Høegh LNG Holdings	HLNG NO	39,90	-0,2 %	-3 %	-4 %	na	334	na	na	na	na	0 %	0 %	49 %	
IM Skaugen	IMSK NO	29,00	2,1 %	2 %	1 %	-21 %	145	na	17,3	19,4	10,2	0 %	0 %	49 %	
Exmar SA	EXM BB	5,39	-1,5 %	9 %	29 %	0 %	455	na	12,9	11,3	8,0	5 %	3 %	65 %	
Teekay LNG	TGP US	36	0,4 %	0 %	15 %	-5 %	2 131	na	16,9	13,4	11,5	7 %	7 %	42 %	
StealthGas	GASS US	4,20	-1,2 %	2 %	4 %	-47 %	89	6,4	5,1	na	na	na	na	na	
A P Moller Maersk	MAERSKA DC	36 800,00	1,6 %	5 %	16 %	-25 %	31 590	11,2	10,6	3,0	3,1	3 %	3 %	32 %	
TUI AG	TUI GR	4,94	0,8 %	3 %	23 %	-53 %	1 763	13,4	8,9	3,2	2,7	0 %	0 %	60 %	
Evergreen Marine	EVGZF US	16,85	0,3 %	0 %	8 %	-39 %	1 960	na	na	16,6	9,8	1 %	1 %	29 %	
Sinoceanic Shipping	SINO NO	6	0,0 %	9 %	-15 %	-26 %	16	na	na	na	na	na	na	na	
Hanjin Shipping	000700 KS	9 070	10,5 %	11 %	19 %	-51 %	359	na	na	na	na	na	na	na	
K-Line	9107 JP	166,00	4,4 %	8 %	-2 %	-54 %	1 677	na	na	na	11,8	0 %	1 %	78 %	
CSCG	2866 HK	1,53	-4,4 %	4 %	20 %	-56 %	5 759	na	na	na	na	0 %	0 %	19 %	
Orient Overseas	316 HK	37,15	-0,3 %	6 %	13 %	-39 %	2 994	14,6	12,3	7,0	6,3	2 %	2 %	16 %	
Neptune Orient Lines	NOL SP	1,15	-0,4 %	3 %	6 %	-47 %	2 395	na	na	18,8	8,9	0 %	0 %	32 %	
Wihl Wilhelmsen ASA	WWASA NO	31	-1,3 %	2 %	18 %	-28 %	1 243	8,0	5,7	6,2	5,2	3 %	4 %	51 %	
Market cap weighted average			0,7 %	4,4 %	15,4 %	-21,3 %		11,7	11,6	5,7	5,4	2 %	2 %		



Source: JCF FactSet / First Securities AS





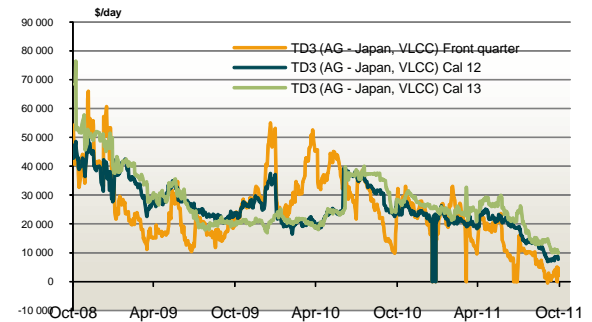
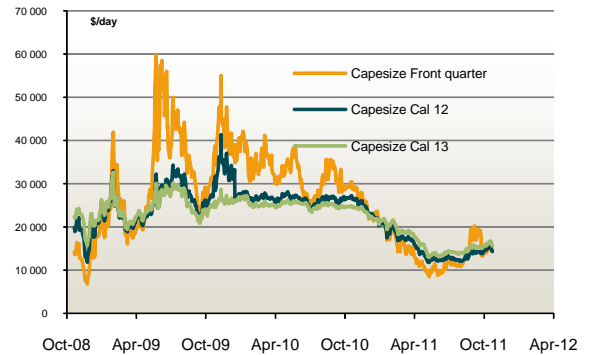
Currencies

	Today	Previous	Change
EURUSD	1,402	1,4147	-0,9 %
EURJPY	110,87	107,28	3,3 %
USDJPY	79,08	75,82	4,3 %
USDKRW	1 110,2	1 104,9	0,5 %
USDCNY	6,3547	6,36	-0,1 %
USDNOK	5,4755	5,4313	0,8 %



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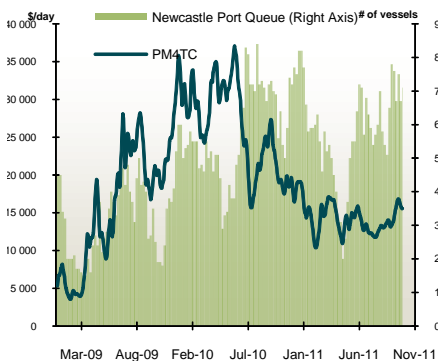
	Today	Previous	Change
Capesize Front quarter	14 275	14 517	-1,7 %
Capesize Cal 12	14 375	14 621	-1,7 %
Capesize Cal 13	15 642	15 800	-1,0 %
	(\$/day)	(\$/day)	
Panamax Front quarter	11 654	11 661	-0,1 %
Panamax Cal 12	11 739	11 750	-0,1 %
Panamax Cal 13	12 357	12 364	-0,1 %
Supramax Front quarter	12 288	12 458	-1,4 %
PM4TC Cal 12	12 367	12 400	-0,3 %
PM4TC Cal 13	12 733	12 758	-0,2 %
TD3 (AG - Japan, VLCC) Front quarter	2 033	4 816	-57,8 %
TD3 (AG - Japan, VLCC) Cal 12	7 706	8 584	-10,2 %
TD3 (AG - Japan, VLCC) Cal 13	10 125	9 823	3,1 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	18 445	19 058	-3,2 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	11 148	11 349	-1,8 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	15 938	15 841	0,6 %
TC2 (ARA - USEC, MR) Front quarter	8 321	8 572	-2,9 %
TC2 (ARA - USEC, MR) Cal 12	8 623	8 587	0,4 %
TC2 (ARA - USEC, MR) Cal 13	10 416	10 375	0,4 %



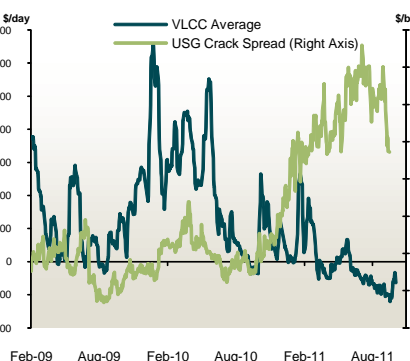
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

Selected Indicators

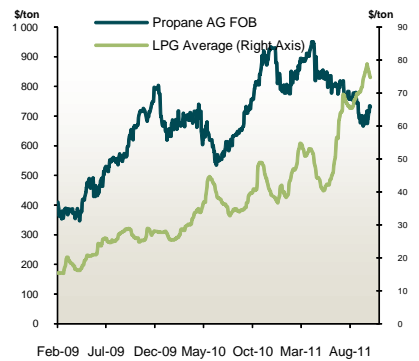
Dry Bulk



Tanker



Gas



Source: Bloomberg / Lorentzen & Stemoco AS





Lorentzen & Stemoco

General Disclaimer



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