



Lorentzen & Stemoco

Joint Shipping Service Morning Report



June 21, 2011

Dry Bulk Market

	Today	Previous	Change	Change YTD
Average TC Routes				
Capesize (\$/day)	\$10 271	\$10 120	1,5 %	-45,1 %
Panamax (\$/day)	\$15 090	\$15 344	-1,7 %	5,4 %
Supramax (\$/day)	\$13 786	\$13 792	0,0 %	-7,2 %
BDI	1418	1423	-0,4 %	-16,2 %
Dry Commodities				
India Iron Ore China Landed 63%Fe (\$/ton)	\$177	\$177	0,0 %	0,6 %
China Average HR Sheet (\$/ton)	\$739	\$737	0,3 %	6,0 %
Amsterdam Coal API# 2 (\$/ton)	\$121,75	\$121,75	0,0 %	-7,8 %
Red Hard Wheat KCBT (\$/bushel)	\$7,66	\$7,70	-0,5 %	-3,7 %

The Capesize market was active yesterday for fixtures out of Port Hedland and Dampier to Qingdao. Some six fixtures were reportedly done on the West Australia - China route. The Baltic Exchange reported the rate at around USD 7.9 per ton, equivalent of about USD 8,000 per day. On average, the Baltic reported Capesize freight rates to USD 10,271 per day - rising uninterrupted since Wednesday last week. In industry news, Macquarie Commodities Research senior analyst Colin Hamilton told the Platts Steel Methodology Forum in New York that iron ore prices will remain firm in the medium term, as tight supply struggles to keep up with Chinese steel output. "The supply chain has been stretched to the limit," he said, according to Dow Jones Newswires. "Chinese imports of iron ore are down because there's not much material available."

Tanker Market

	Today	Previous	Change	Change YTD
Average TCE Routes				
VLCC TD3 MEG-Japan (\$/day)	\$16 849	\$14 882	13,2 %	4,0 %
Suez Average (\$/day)	\$4 545	\$4 532	0,3 %	-78,7 %
Aframax Average (\$/day)	\$3 919	\$3 739	4,8 %	-58,5 %
MR Average (\$/day)	\$11 168	\$9 840	13,5 %	7,3 %
Oil Commodities				
Brent Front Month (\$/bbl)	\$112,74	\$111,69	0,9 %	18,9 %
WTI Front Month (\$/bbl)	\$93,26	\$93,01	0,3 %	3,2 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0,30	-\$0,33	9,1 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	-\$18,82	-\$0,50	-18,3 %	-

VL rates from the MEG to Japan gained another 13% on the Baltic Exchange yesterday, with continued demand for vessels and a shortening position list. The first decade July sailings count stands in the low 20's indicating that there is room for a flurry of stems in the coming week. On average, the first five months of 2011 has returned 35 first decade fixtures. In the West the US is expected to record another crude stock draw tomorrow with refinery runs and utilization on the increase. Furthermore the current spread between the WTI and Brent of 17.8 USD/bbl, is reducing the incentive for increased imports.

Gas Market

	Today	Previous	Change	Change YTD
Freight Rates				
LPG Average (\$/ton)	42,13	42,19	-0,1%	10,0 %
Gas Commodities				
Propane AG Spot (\$/ton)	805,00	807,50	-0,3 %	-11,8 %
Butane AG Spot (\$/ton)	845,00	862,50	-2,0 %	-5,9 %
Propane US Spot (¢/gallon)	152,88	152,88	0,0 %	13,7 %
Butane US Spot (¢/gallon)	172,25	172,50	-0,1%	1,9 %
Natural Gas (\$/MMBTU)	4,33	4,39	-1,4 %	-4,6 %

Tsakos Energy Navigation Ltd. (TEN) today announced a four year time charter for the 2007-built 150,000 m(3) LNG carrier Neo Energy to a major international energy concern. The charter is expected to commence in the first quarter of next year upon expiration of the vessel's existing employment. This new charter, in line with current market levels, is anticipated to make a significant contribution to the bottom line over its duration, writes LNG World News.

Source: Bloomberg | Lorentzen & Stemoco AS

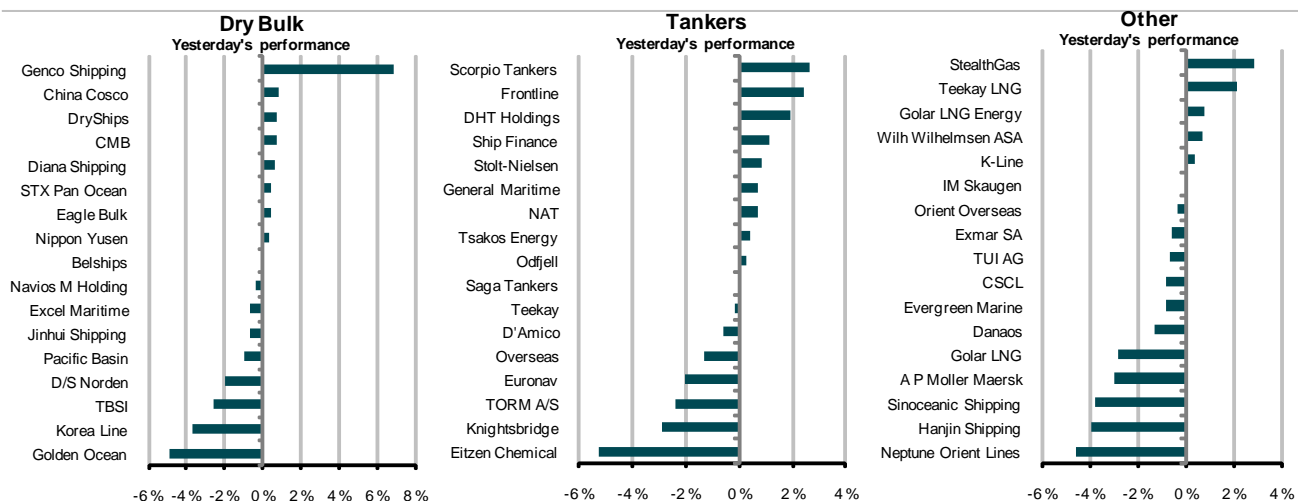
Shipping Equities

Selected news:

The Chinese Vision Ship Management has sold a 151,000-dwt capesize bulker for \$10.8m according to Tradewinds. The 1990 built bulker is the Chinese companies' oldest capesize bulker and was purchased for \$18m in 2009. Data from Clarksons indicates the company controls a fleet of four capesize bulkers.

John Fredriksen's Seatankers is believed to have ordered two newbuildings at Sinopacific with options for two more. It is believed the design is of Ulstein's PX105 CD vessels and expected to be passed on to the Oslo-listed company Deep Sea Supply, which The Norwegian controls. The delivery should be in 2012 and there is talk about a PSV order from Fredriksen.

Diana Containerships has been branded to buy upon the kick off of the company coverage. Its debt-free status, its short term contracts and a potential for significant dividends all contribute to the positive rating. Shares went up 3.55% to \$7.00 yesterday after Jefferies as well as Cantor Fitzgerald and Wells Fargo Securities branded the stock to buy.





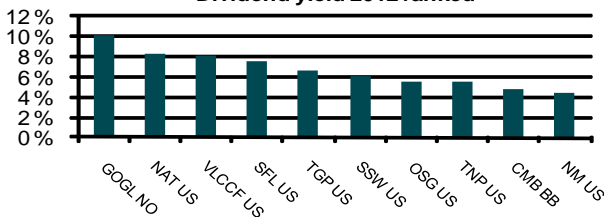
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Shipping Equities Performance & Valuation

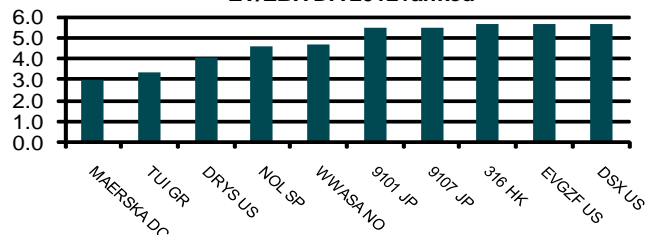


Dry bulk		(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing	
Company	Ticker	Last	1d	1w	1m	YTD	M cap	11	12	11	12	11	12	Net debt/EV	
Golden Ocean	GOGL NO	7.20	1.2%	4%	-2%	-11%	590	8.1	7.0	8.8	7.8	10%	10%	50%	
Jinhui Shipping	JIN NO	19.00	0.5%	3%	-12%	-3%	287	3.2	7.4	4.4	6.2	0%	0%	55%	
CMB	CMB BB	20.91	-0.4%	0%	-6%	-9%	1,040	11.4	10.5	8.3	8.4	5%	5%	41%	
DryShips	DRYS US	4.66	0.4%	4%	-3%	-15%	1,554	4.3	4.0	5.3	4.1	0%	0%	62%	
Diana Shipping	DSX US	11.84	0.2%	1%	-1%	2%	970	8.6	11.3	5.1	5.6	0%	0%	Neg.	
Genco Shipping	GNK US	11.43	1.2%	2%	-1%	-21%	411	8.6	na	7.2	7.8	0%	0%	78%	
NaviosM Holding	NM US	5.47	0.4%	3%	3%	4%	614	5.6	5.3	8.1	7.2	4%	4%	73%	
Excel Maritime	EXM US	4.46	0.5%	5%	-11%	-21%	362	na	na	7.2	10.0	0%	0%	72%	
Eagle Bulk	EGL US	3.85	2.1%	5%	-6%	-23%	241	na	15.4	10.4	8.1	0%	0%	82%	
TBSI	TBSI US	2.09	-0.2%	-7%	-37%	-28%	66	na	na	na	na	0%	na	na	
Korea Line	005880 KS	10,800	1.4%	19%	-16%	-59%	156	na	na	11.0	na	0%	0%	92%	
STX Pan Ocean	STX SP	11.12	0.0%	2%	-3%	-15%	1,812	19.2	10.4	15.4	11.1	1%	1%	51%	
Nippon Yusen	9101 JP	328	3.1%	5%	-13%	-9%	6,886	8.3	7.3	6.3	5.4	3%	4%	60%	
Pacific Basin	2343 HK	4.75	0.8%	2%	-4%	-8%	1,178	13.8	12.6	8.0	7.8	4%	4%	15%	
Belships	BEL NO	7.05	0.0%	0%	0%	-3%	31	15.2	14.7	9.0	8.0	0%	0%	65%	
China Cosco	1919 HK	8.09	1.0%	0%	-1%	-2%	14,500	13.1	9.9	11.5	10.0	1%	1%	19%	
D/S Norden	DNORD DC	181	0.6%	2%	-6%	-10%	1,541	16.9	15.9	6.9	6.4	4%	3%	Neg.	
Market cap weighted average			1.3%	2.2%	-4.8%	-6.5%		11.6	9.4	9.4	8.2	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	FRNO	138	0.3%	0%	-7%	-8%	1,933	na	na	10.7	9.7	2%	4%	55%	
Ship Finance	SFL US	20.15	-0.1%	5%	0%	-6%	1,594	11.0	10.7	15.9	13.7	8%	8%	56%	
Euronav	EURN BB	11.15	-1.4%	0%	-12%	-12%	820	na	na	8.4	7.2	2%	4%	60%	
General Maritime	GMR US	2.03	1.5%	-19%	-24%	-38%	182	na	na	10.9	9.6	2%	2%	88%	
Teekay	TK US	35.80	1.3%	4%	2%	8%	2,613	na	na	8.8	7.5	4%	4%	64%	
Overseas	OSG US	31.60	1.8%	4%	-9%	-11%	963	na	na	18.6	9.4	6%	6%	66%	
NAT	NAT US	25.58	0.0%	1%	6%	-2%	1,200	na	na	16.4	11.7	6%	8%	7%	
Tsakos Energy	TNP US	10.97	2.3%	4%	15%	10%	503	na	8.8	9.3	7.4	5%	5%	71%	
Saga Tankers	SAGA NO	4.80	0.0%	4%	4%	-14%	75	na	19.2	7.5	6.1	0%	4%	54%	
Knightbridge	VLCF US	24.60	-2.0%	5%	0%	10%	601	14.1	14.4	9.7	9.6	8%	8%	11%	
Odjell	ODJ	48	0.2%	-5%	-11%	-12%	745	19.0	9.0	8.8	6.9	2%	4%	65%	
TORM A/S	TORM DC	31.33	1.7%	7%	-17%	-20%	435	na	na	na	11.4	0%	0%	81%	
Berlian Laju Tanker	B66 SP	0.05	0.0%	11%	0%	0%	507	7.7	9.5	7.1	6.0	0%	0%	77%	
Stolt-Nielsen	SNINO	137.00	0.4%	5%	-8%	-4%	1,577	11.7	8.9	8.2	6.8	4%	4%	44%	
Etzen Chemical	ECHEM NO	1.14	3.6%	7%	-7%	-38%	154	na	na	19.8	11.6	0%	0%	86%	
Scorpio Tankers	STNG US	9.90	-3.2%	0%	-2%	-2%	179	na	na	8.9	6.9	0%	0%	28%	
D'Amico	DIM IS	0.96	-0.4%	4%	-4%	-2%	205	na	10.7	9.2	6.7	0%	2%	56%	
Market cap weighted average			0.4%	3.0%	-3.3%	-3.7%		12.4	10.2	11.3	9.0	4%	5%		
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	136.00	3.4%	7%	30%	52%	1,663	19.9	15.5	12.9	10.1	4%	4%	34%	
I.M. Skaugen	IMSK NO	35.00	-1.4%	3%	-3%	-5%	170	na	na	19.1	14.8	0%	0%	50%	
Exmar SA	EXMB BB	6.24	-0.6%	1%	8%	16%	528	na	na	11.7	9.7	2%	3%	64%	
Teekay LNG	TGP US	40.91	-0.9%	7%	9%	8%	2,254	na	18.6	14.6	13.6	6%	7%	46%	
StealthGas	GASS US	5.92	-2.5%	1%	-10%	-26%	125	9.4	8.8	8.5	7.2	0%	0%	73%	
A.P. Moller Maersk	MAERSKA DC	49,110	-0.5%	2%	-3%	0%	41,748	9.5	7.9	3.3	3.0	2%	2%	22%	
TUI AG	TUI GR	8.44	-1.7%	2%	-14%	-20%	3,017	10.5	8.4	4.2	3.4	0%	2%	48%	
Danaos	DAC US	4.89	-1.4%	3%	0%	31%	531	14.4	8.2	10.2	7.9	0%	0%	84%	
Evergreen Marine	EVGZF US	24.60	1.7%	6%	-7%	-19%	2,585	7.1	7.0	5.6	5.6	3%	4%	15%	
Seaspan	SSW US	16.08	-0.9%	2%	2%	29%	1,106	10.9	8.3	8.5	6.9	4%	6%	69%	
Hanjin Shipping	000700 KS	14,900	-1.0%	2%	-5%	-19%	582	na	3.4	10.2	na	3%	4%	0%	
K-Line	9107 JP	319	5.3%	11%	-13%	-11%	3,014	8.6	6.5	6.3	5.4	3%	3%	63%	
CSC	2866 HK	3.26	0.6%	1%	-4%	-5%	9,631	8.9	7.6	14.3	10.2	2%	3%	7%	
Orient Overseas	316 HK	81.05	2.7%	4%	16%	7%	6,509	11.3	9.2	7.1	5.6	2%	3%	Neg.	
Neptune Orient Lines	NOL SP	2.01	2.0%	2%	-1%	-8%	4,112	9.4	7.1	5.2	4.5	2%	3%	6%	
Wilh. Wilhelmsen ASA	WWASA NO	35.10	-1.1%	-3%	-9%	-17%	1,386	7.4	6.1	5.8	4.7	3%	4%	41%	
Star Reefers	SRINO	99	0.0%	5%	10%	16%	171	5.9	10.3	na	na	0%	0%	na	
Market cap weighted average			0.3%	3.0%	-1.2%	-0.6%		9.7	8.3	6.1	5.0	2%	3%		

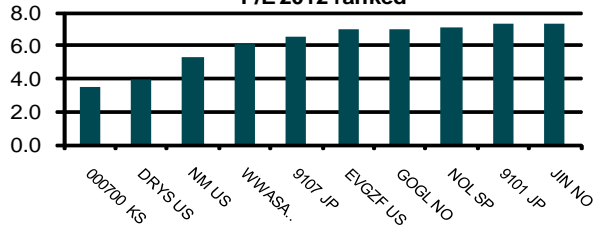
Dividend yield 2012 ranked



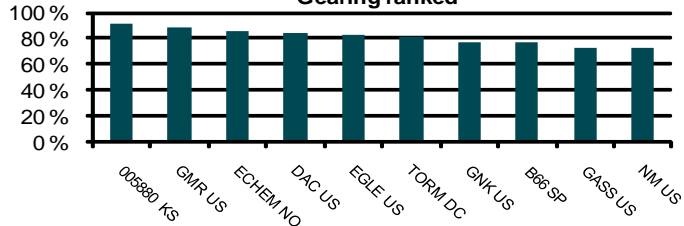
EV/EBITDA 2012 ranked



P/E 2012 ranked



Gearing ranked



Source: JCF FactSet / First Securities AS



Market Information

Currencies, FFAs, Indicators

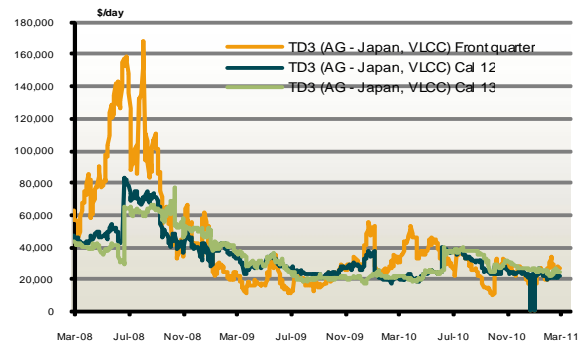
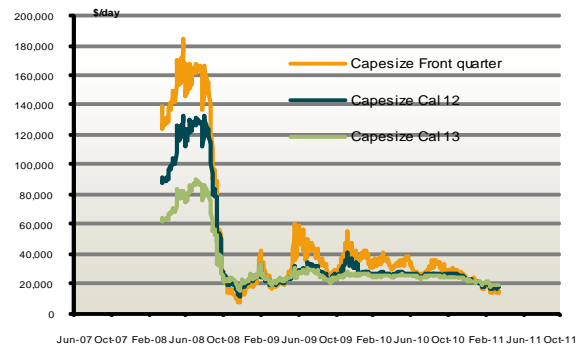
Currencies

	Today	Previous	Change
EURUSD	1.4195	1.4196	0.0 %
EURJPY	114.75	114.95	-0.2 %
USDJPY	80.84	80.97	-0.2 %
USDKRW	1,124.4	1,121.0	0.3 %
USDCNY	6.5595	6.5558	0.1 %
USDNOK	5.57054	5.56811	0.0 %



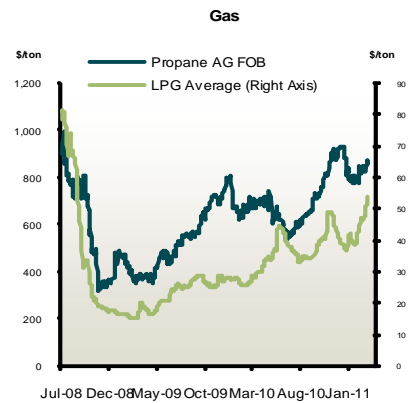
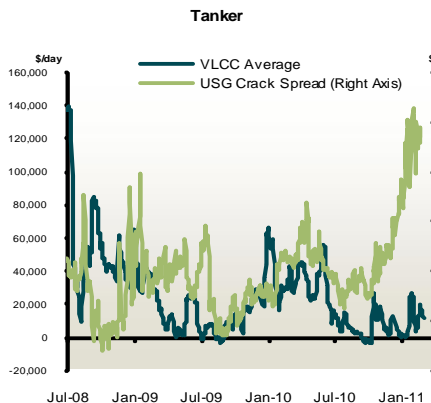
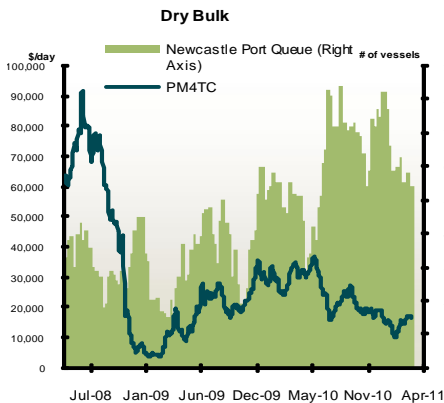
FFAs

	Today	Previous	Change
Capesize Front quarter	14,858	14,418	3.1 %
Capesize Cal 12	17,613	17,264	2.0 %
Capesize Cal 13	19,008	18,786	1.2 %
	(\$/day)	(\$/day)	
Panamax Front quarter	17,366	17,453	-0.5 %
Panamax Cal 12	14,766	14,663	0.7 %
Panamax Cal 13	14,863	14,794	0.5 %
Supramax Front quarter	16,246	16,271	-0.2 %
PM4TC Cal 12	13,471	13,414	0.4 %
PM4TC Cal 13	13,293	13,329	-0.3 %
TD3 (AG - Japan, VLCC) Front quarter	26,491	27,167	-2.5 %
TD3 (AG - Japan, VLCC) Cal 12	21,790	21,097	3.3 %
TD3 (AG - Japan, VLCC) Cal 13	23,929	24,007	-0.3 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	21,909	22,633	-3.2 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	20,500	20,609	-0.5 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	23,233	23,374	-0.6 %
TC2 (ARA - USEC, MR) Front quarter	11,370	11,252	1.1 %
TC2 (ARA - USEC, MR) Cal 12	8,832	8,891	-0.7 %
TC2 (ARA - USEC, MR) Cal 13	9,628	9,705	-0.8 %



Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

Selected Indicators



Source: Bloomberg / Lorentzen & Stemoco AS





General Disclaimer



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