



Lorentzen & Stemoco

# Joint Shipping Service Morning Report



November 29, 2011

## Dry Bulk Market

	Today	Previous	Change	Change YTD
<b>Average TCEs</b>				
Capesize (\$/day)	\$25 851	\$25 816	0,1 %	38,3 %
Panamax (\$/day)	\$14 332	\$14 558	-1,6 %	0,1 %
Supramax (\$/day)	\$14 431	\$14 450	-0,1 %	-2,9 %
BDI	1 807	1 814	-0,4 %	6,7 %
<b>Dry Commodities</b>				
India Iron Ore China Landed 63% Fe (\$/ton)	\$149	\$149	0,0 %	-15,0 %
China Average HR Sheet (\$/ton)	\$661	\$664	-0,5 %	-5,2 %
Amsterdam Coal API#2 (\$/ton)	\$110,60	\$112,00	-1,3 %	-12,2 %
Red Hard Wheat KCBT (\$/bushel)	\$6,22	\$6,27	-0,8 %	-19,1 %

The Capesize segment appears to be strengthening again, buoyed by higher freight rates in the Pacific. The Australian mining companies have been active fixing vessels from West Australia to China with iron ore, from ports such as Port Hedland and Dampier to Qingdao. By mid-afternoon, the sentiment had started feeding into the paper market, where FFA prices moved to USD 22,900 per day for the December month. The first quarter of 2012 traded from USD 14,800 to USD 15,350 per day. We expect the Baltic Exchange to be reporting higher rates today, as the physical and the paper boys are gearing each other up in the last month of the year.

## Tanker Market

	Today	Previous	Change	Change YTD
<b>Average TCEs</b>				
VLCC TD3 MEG-Japan (\$/day)	\$16 149	\$18 163	-11,1 %	-0,3 %
Suez Average (\$/day)	\$10 082	\$9 090	10,9 %	-52,7 %
Aframax Average (\$/day)	\$4 458	\$4 446	0,3 %	-52,8 %
MR Average (\$/day)	\$9 955	\$9 975	-0,2 %	-4,4 %
<b>Oil Commodities</b>				
Brent Front Month (\$/bbl)	\$108,55	\$106,40	2,0 %	14,5 %
WTI Front Month (\$/bbl)	\$96,77	\$96,17	0,6 %	8,6 %
Brent Forward Spread, 2M-1M (\$/bbl)	-\$0,70	-\$0,64	-9,4 %	-
NWE-USG Gasoline Arbitrage (\$/mt)	-\$21,74	\$3,50	-\$25,2	-

Lloyd's List writes that VLCC fixing remains steady but down from recent highs, resulting in further dips in the key Middle East-Asia rate this week. Brokers expect around another 65 cargoes to come for loading in the first half of December, with more than enough vessels still available to cover these cargoes. West Africa-Asia very large crude carriers are expected to follow a similar path over the next few days, while West Africa to the US trades need to be tested more for the market to find its true level. In the Suezmax segment, chartering activity on the main West Africa to US trades could be busy this week as traders and charterers return from the US Thanksgiving holiday.

## Gas Market

	Today	Previous	Change	Change YTD
<b>Freight Rates</b>				
LPG Average (\$/ton)	67,88	68,69	-1,2 %	77,2 %
<b>Gas Commodities</b>				
Propane AG Spot (\$/ton)	762,50	762,50	0,0 %	-16,5 %
Butane AG Spot (\$/ton)	802,50	802,50	0,0 %	-10,6 %
Natural Gas (\$/MMBTU)	2,83	3,05	-7,2 %	-37,7 %
<b>Bunkers</b>				
380 cSt Fujairah	665,50	675,50	-1,5 %	28,1 %
380 cSt Rotterdam	623,00	648,50	-3,9 %	26,4 %
380 cSt Houston	637,00	658,00	-3,2 %	27,5 %

According to Lloyd's List, owners of very large gas carriers are increasingly tempted to accept the first price offers made by charterers for available cargoes of liquefied petroleum gas, fearing they will be unable to secure cargoes from the diminished volume available on the spot market. The result is that charterers are gaining more bargaining power, and are successfully pushing down the charter rate for VLGCs shipping LPG on the key route from the Middle East to Asia. The rate fell to USD 66.12 per ton by close of business yesterday, the lowest since the beginning of September, the Baltic Exchange reported. Historically, the rate is still high, providing owners with earnings of around USD 40,000 per day.

Source: Bloomberg / Lorentzen & Stemoco AS

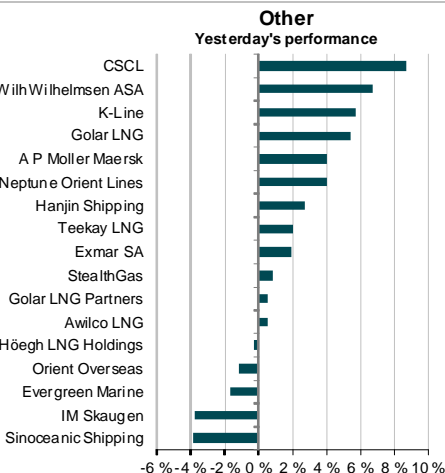
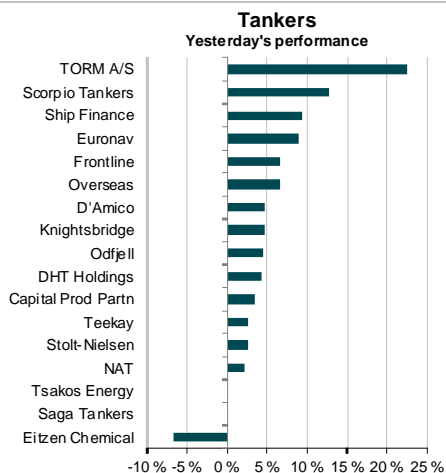
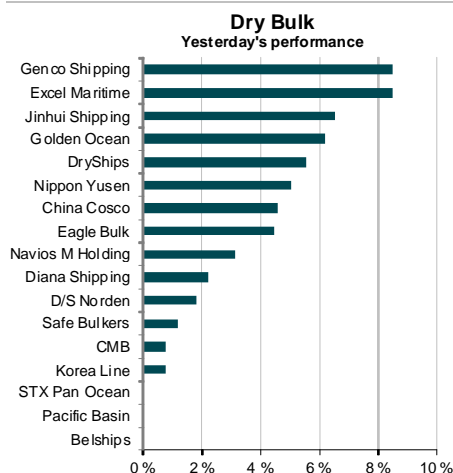
## Shipping Equities

### Selected news:

US Marshals have seized the 72,000-dwt Newlead Compass (built 2006) following a wage complaint filed in the US District Court for the District of Maryland alleging they are owed \$217,760 in addition to legal fees and other expenses, according to court documents. The Newlead Compass is one of the two products carriers that were fixed to a "first-class charterer, which one source has identified as JP Morgan, for five years at a rate of @ 11,700 per day for the first 12 months in a deal sealed back in February, according to Tradewinds

Bangkok-listed Precious is tipped to have bought the 33,700-dwt STX Queensland and STX Pioneer (built 2005) which were reported sold by Tradewinds on Friday. Precious, which has been rebuilding its fleet following a clear-out of older vessels, paid \$40m for the pair. Precious chief Khalid Hashim revealed this summer that the company wanted to add up to 20 modern vessels to its fleet, according to Tradewinds

The dispute between Singapore offshore vessel builder Penguin International and Wartsila has moved up a gear as Penguin has filed a writ seeking compensation for loss or damage arising from the cancellation of a \$25m order from Abu Dhabi National Oil Co (Adnoc) for two standby vessels. The dispute has been simmering since the deal was terminated last year when Penguin booked an impairment provision of \$18.8m.



Source: First Securities AS / JUF FactSet / Bloomberg / Tradewinds / Lloyd's List / Fairplay



Lorentzen & Stemoco

# Shipping Equities



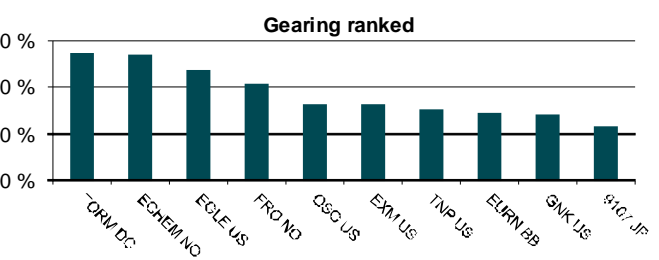
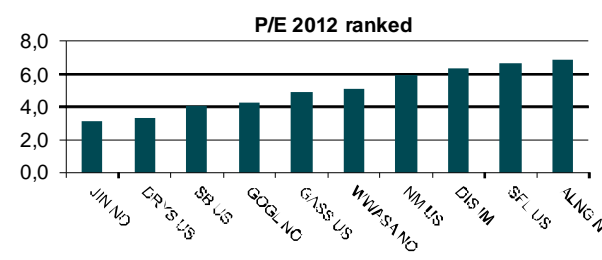
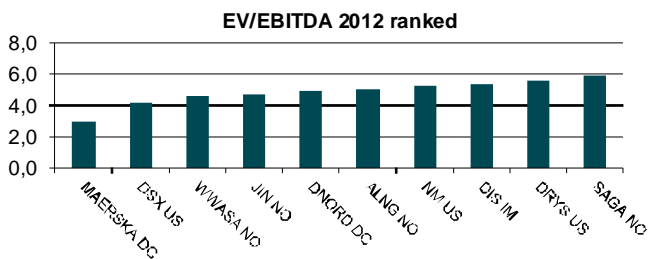
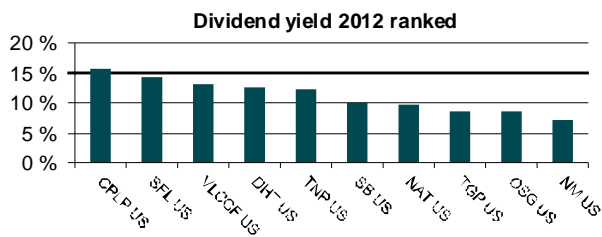
Dry bulk		(Local curr)	Performance				(mUSD)	P/E		EV/EBITDA		Yield		Gearing		
Company	Ticker	Last	1d	1w	1m	YTD	M cap	11	12	11	12	11	12	11	12	Net debt/EV
Golden Ocean	GOGL NO	3,86	6,2 %	-3 %	-15 %	-52 %	300	4,5	4,3	6,8	6,4	9 %	6 %	64 %	64 %	
Jinhu Shipping	JIN NO	10,45	6,5 %	1 %	-20 %	-46 %	149	1,5	3,1	3,6	4,7	0 %	0 %	71 %	71 %	
CMB	CMB BB	15,50	0,8 %	-1 %	-11 %	-33 %	724	7,0	7,8	7,5	7,5	6 %	6 %	54 %	54 %	
DryShips	DRYS US	2,27	5,6 %	-2 %	-22 %	-57 %	929	5,1	3,3	8,2	5,5	0 %	0 %	80 %	80 %	
Diana Shipping	DSX US	7,41	2,2 %	-3 %	-12 %	-36 %	612	5,7	9,8	3,4	4,1	0 %	0 %	Neg.	Neg.	
Genco Shipping	GNK US	7,52	8,5 %	1 %	-18 %	-48 %	270	10,7	na	7,0	8,7	0 %	0 %	84 %	84 %	
Navios M Holding	NM US	3,31	3,1 %	-3 %	-16 %	-37 %	337	5,7	6,0	5,6	5,3	7 %	7 %	77 %	77 %	
Excel Maritime	EXM US	1,79	8,5 %	1 %	-40 %	-68 %	153	na	na	7,7	10,9	0 %	0 %	86 %	86 %	
Eagle Bulk	EGLE US	1,17	4,5 %	6 %	-30 %	-77 %	73	na	na	11,3	9,3	0 %	0 %	94 %	94 %	
Safe Bulkers	SB US	6,04	1,2 %	-4 %	-14 %	-32 %	428	4,0	4,0	6,5	5,9	10 %	10 %	50 %	50 %	
Korea Line	005880 K.S	26 600	0,8 %	-37 %	-37 %	-82 %	67	na	na	na	na	na	na	na	na	
STX Pan Ocean	STX SP	6,45	0,0 %	-7 %	-22 %	-51 %	1 022	na	na	na	20,0	0 %	0 %	71 %	71 %	
Nippon Yusen	9101 JP	167	5,0 %	6 %	-19 %	-54 %	3 635	na	16,3	10,6	8,9	2 %	2 %	76 %	76 %	
Pacific Basin	2343 HK	3,29	0,0 %	-4 %	-7 %	-36 %	818	na	14,1	7,4	6,5	2 %	4 %	21 %	21 %	
Belships	BEL NO	5,68	0,0 %	0 %	-5 %	-22 %	24	na	na	na	na	na	na	na	na	
China Cosco	1919 HK	3,42	4,6 %	0 %	-20 %	-58 %	8 827	na	na	na	na	0 %	0 %	32 %	32 %	
D/S Norden	DNORD DC	142	1,8 %	0 %	-13 %	-30 %	1 098	11,8	15,0	4,9	4,9	4 %	3 %	Neg.	Neg.	
<b>Market cap weighted average</b>			<b>3,9 %</b>	<b>0,0 %</b>	<b>-18,2 %</b>	<b>-51,8 %</b>		<b>7,1</b>	<b>11,9</b>	<b>8,0</b>	<b>8,4</b>	<b>1 %</b>	<b>1 %</b>			

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	11	12	Net debt/EV
Frontline	FRO NO	17	6,7 %	0 %	-44 %	-89 %	229	na	na	12,2	14,3	4 %	0 %	91 %	91 %	
Ship Finance	SFL US	10,93	9,3 %	2 %	-26 %	-49 %	865	6,6	6,7	13,2	11,5	14 %	14 %	69 %	69 %	
Euronav	EURN BB	3,26	9,0 %	7 %	-3 %	-74 %	225	na	na	9,7	11,4	0 %	0 %	85 %	85 %	
Capital Prod Partn	CPPL US	5,92	3,5 %	-1 %	-16 %	-39 %	411	na	na	12,0	9,5	16 %	16 %	59 %	59 %	
Teekay	TK US	27,14	2,6 %	1 %	3 %	-18 %	1 900	na	na	10,7	8,7	5 %	5 %	73 %	73 %	
Overseas	OSG US	10,43	6,5 %	0 %	-25 %	-71 %	318	na	na	na	15,7	13 %	8 %	87 %	87 %	
NAT	NAT US	12,27	2,3 %	-3 %	-20 %	-53 %	580	na	na	na	17,4	10 %	10 %	24 %	24 %	
Tsakos Energy	TNP US	4,94	0,0 %	-8 %	-18 %	-51 %	228	na	na	15,0	12,6	12 %	12 %	85 %	85 %	
Saga Tankers	SAGA NO	1,63	0,0 %	-5 %	12 %	-71 %	24	na	na	5,4	5,9	0 %	0 %	20 %	20 %	
Knightsbridge	VLCGF US	15,33	4,6 %	0 %	-14 %	-31 %	374	11,2	12,3	7,4	7,4	13 %	13 %	18 %	18 %	
DHT Holdings	DHT US	1	4,4 %	-7 %	-42 %	-80 %	59	4,0	11,9	5,8	6,4	27 %	13 %	80 %	80 %	
Odfjell	ODF NO	30,40	4,5 %	0 %	-14 %	-44 %	451	na	19,9	9,6	8,1	3 %	4 %	70 %	70 %	
TORM A/S	TORM DC	3,43	22,5 %	-3 %	-58 %	-91 %	45	na	na	na	na	0 %	0 %	98 %	98 %	
Stolt-Nielsen	SNI NO	101,00	2,5 %	-2 %	-8 %	-29 %	1 102	10,9	7,6	8,0	6,8	6 %	6 %	57 %	57 %	
Eitzen Chemical	ECHEM NO	0,14	-6,7 %	0 %	-39 %	-92 %	27	na	na	na	na	0 %	0 %	97 %	97 %	
Scorpio Tankers	STNG US	6,31	12,7 %	0 %	-3 %	-38 %	114	na	na	na	17,5	0 %	0 %	54 %	54 %	
D'Amico	DIS IM	0,42	4,7 %	-7 %	-27 %	-57 %	84	na	6,4	10,1	5,3	0 %	2 %	78 %	78 %	
<b>Market cap weighted average</b>			<b>4,4 %</b>	<b>-0,5 %</b>	<b>-12,2 %</b>	<b>-39,8 %</b>		<b>9,3</b>	<b>9,9</b>	<b>10,5</b>	<b>10,2</b>	<b>8 %</b>	<b>7 %</b>			

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	11	12	Net debt/EV
Golar LNG	GOL NO	245,50	5,4 %	4 %	11 %	175 %	3 332	na	20,0	na	13,8	3 %	3 %	22 %	22 %	
Golar LNG Partners	GLMP US	28,64	0,5 %	0 %	1 %	na	1 119	na	14,7	14,1	11,1	4 %	6 %	40 %	40 %	
Hoegh LNG Holdings	HLNG NO	44,90	-0,2 %	3 %	13 %	na	346	na	na	na	na	0 %	0 %	46 %	46 %	
IM Skaugen	IMSK NO	28,20	-3,8 %	-1 %	-3 %	-24 %	130	na	15,5	18,4	9,6	0 %	0 %	52 %	52 %	
Exmar SA	EXM BB	5,34	1,9 %	1 %	-1 %	-1 %	424	na	10,2	10,7	8,1	5 %	3 %	68 %	68 %	
Teekay LNG	TGP US	32	2,0 %	-1 %	-13 %	-17 %	2 045	17,6	14,6	13,1	11,4	8 %	9 %	43 %	43 %	
StealthGas	GASS US	3,75	0,8 %	0 %	-11 %	-53 %	79	7,4	4,9	na	na	na	na	na	na	
Avilco LNG	ALNG NO	21,00	0,5 %	0 %	0 %	na	242	na	6,9	na	5,0	0 %	0 %	Neg.	Neg.	
A.P. Moller Maersk	MAERSKA DC	32 560,00	4,0 %	3 %	-12 %	-34 %	26 511	11,4	10,5	2,9	2,9	3 %	3 %	36 %	36 %	
Evergreen Marine	EVGZF US	14,60	-1,7 %	-1 %	-13 %	-47 %	1 666	na	na	na	11,2	0 %	0 %	32 %	32 %	
Sinocearic Shipping	SINO NO	5	-3,8 %	-19 %	-21 %	-41 %	11	na	na	na	na	na	na	na	na	
Hanjin Shipping	000700 KS	7 090	2,8 %	1 %	-22 %	-62 %	269	na	na	na	na	na	na	na	na	
K-Line	9107 JP	130,00	5,7 %	4 %	-22 %	-64 %	1 274	na	na	na	15,3	0 %	0 %	82 %	82 %	
CSC	2866 HK	1,38	8,7 %	5 %	-10 %	-60 %	5 550	na	na	na	na	0 %	0 %	19 %	19 %	
Orient Overseas	316 HK	34,10	-1,2 %	-2 %	-8 %	-44 %	2 738	15,6	13,5	7,3	6,3	2 %	2 %	17 %	17 %	
Neptune Orient Lines	NOL SP	1,05	4,0 %	1 %	-9 %	-52 %	2 079	na	na	na	10,5	0 %	0 %	37 %	37 %	
Wilhelmsen ASA	WWASA NO	29	6,7 %	-1 %	-7 %	-33 %	1 066	7,3	5,1	5,4	4,6	4 %	4 %	52 %	52 %	
<b>Market cap weighted average</b>			<b>4,0 %</b>	<b>2,4 %</b>	<b>-9,3 %</b>	<b>-23,9 %</b>		<b>12,0</b>	<b>11,8</b>	<b>4,5</b>	<b>5,8</b>	<b>3 %</b>	<b>3 %</b>			



Source: JCF FactSet / First Securities AS



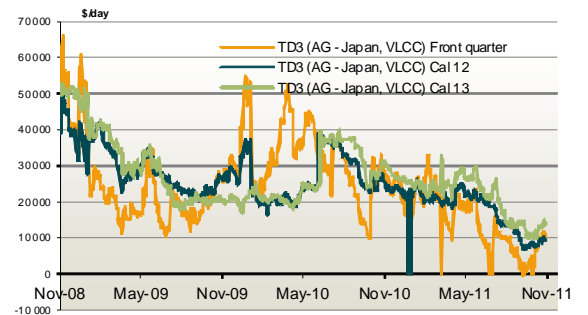
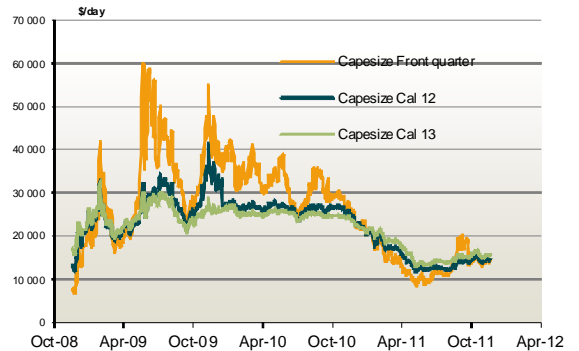
## Currencies

	Today	Previous	Change
EURUSD	1,3327	1,3239	0,7 %
EURJPY	103,53	102,91	0,6 %
USDJPY	77,68	77,73	-0,1 %
USDKRW	1 154,4	1 164,2	-0,8 %
USDCNY	6,3852	6,3789	0,1 %
USDNOK	5,8755	5,9293	-0,9 %



## FFAs

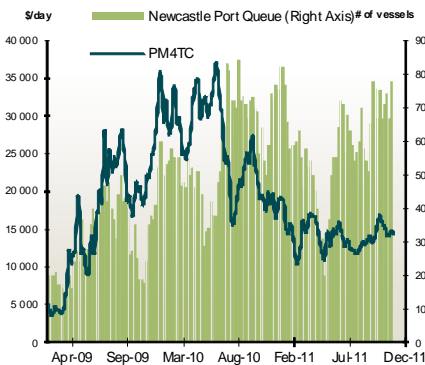
	Today	Previous	Change
Capesize Front quarter	14 483	14 071	2,9 %
Capesize Cal 12	14 654	14 327	2,3 %
Capesize Cal 13	15 667	15 454	1,4 %
	(\$/day)	(\$/day)	
Panamax Front quarter	11 433	11 433	0,0 %
Panamax Cal 12	11 489	11 484	0,0 %
Panamax Cal 13	11 958	11 958	0,0 %
Supramax Front quarter	11 535	11 490	0,4 %
PM4TC Cal 12	11 478	11 428	0,4 %
PM4TC Cal 13	11 805	11 795	0,1 %
TD3 (AG - Japan, VLCC) Front quarter	10 478	10 849	-3,4 %
TD3 (AG - Japan, VLCC) Cal 12	9 304	9 600	-3,1 %
TD3 (AG - Japan, VLCC) Cal 13	13 967	14 023	-0,4 %
TD5 (W. Afr. - US Gulf, Suezmax) Front quarter	13 368	13 271	0,7 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 12	12 079	11 918	1,4 %
TD5 (W. Afr. - US Gulf, Suezmax) Cal 13	16 057	15 845	1,3 %
TC2 (ARA - USEC, MR) Front quarter	8 889	9 036	-1,6 %
TC2 (ARA - USEC, MR) Cal 12	8 975	9 015	-0,4 %
TC2 (ARA - USEC, MR) Cal 13	10 358	10 230	1,2 %



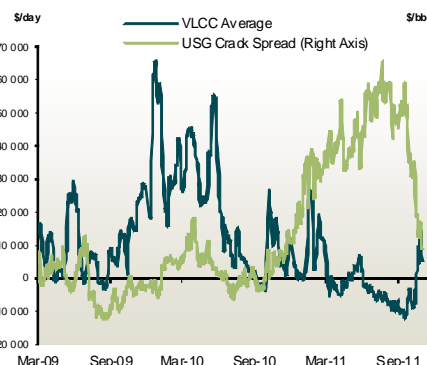
Source: Bloomberg / Baltic Exchange / Lorentzen & Stemoco AS

## Selected Indicators

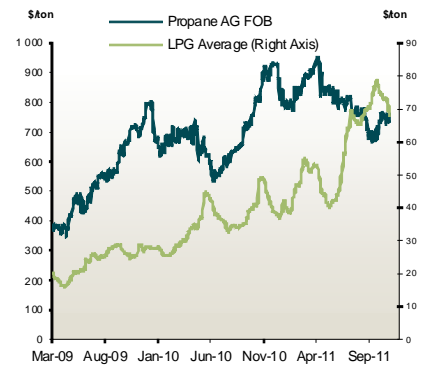
### Dry Bulk



### Tanker



### Gas



Source: Bloomberg / Lorentzen & Stemoco AS





Lorentzen & Stemoco

## General Disclaimer



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