



# PRESS RELEASE

FOR IMMEDIATE RELEASE

8 June 2011

## BALTEX EXECUTES FIRST TRADE

The Baltic Exchange's electronic marketplace for dry freight derivatives, Baltex, commenced trading today (8 June 2011) and executed its first trade at 0733. Principals signed up and ready to trade include AM Nomikos, Cargill, CTM, Morgan Stanley, M2M, Pacific Basin and Toepfer.

Regulated by the UK's Financial Services Authority (FSA) as a Multilateral Trading Facility, Baltex provides live FFA prices and on-line execution and supports straight through processing to the international clearing houses LCH and NOS, with SGX and CME expected to be added shortly. The transaction's clearing status is displayed in real time.

The system is available for trading from 0730 to 1800 British Summer Time and can be made available initially to participants throughout the European Economic Area, Switzerland, Singapore and Monaco. Other jurisdictions are expected to follow shortly.

Announcing the launch Baltic Exchange Chairman Mark Jackson said:

"The Baltic Exchange is proud to have brought Baltex so far and I am delighted that some of the market's biggest traders are ready to trade from day one, they will be joined by others currently finalising their paperwork. The shipping, financial and commodity sectors now have a centralised, transparent and regulated marketplace in which dry freight derivatives can be traded. We expect Baltex to attract new companies in the coming months and support greater liquidity in the FFA market."

Baltex users are able to trade the following routes:

### **Dry Bulk Voyage FFAs**

C3 – Capesize Tubarao - Qingdao

C4 – Capesize Richards Bay – Rotterdam

C5 – Capesize W. Australia – Qingdao

C7 – Capesize Bolivar - Rotterdam

## **Dry Bulk Timecharter Trip FFAs**

P1A – Panamax Transatlantic RV

P2A – Panamax Skaw-Gib/Far East

P3A – Panamax Japan-SK/Pacific RV

S7 – Supramax East Coast India – China

## **Dry Bulk Time Charter Average FFAs**

Capesize TC Average

Panamax TC Average

Supramax TC Average

Handysize TC Average

Baltex has been developed by Baltic Exchange Derivatives Trading Ltd, a subsidiary of the Baltic Exchange, the world's only independent provider of daily bulk shipping indices and route assessments, over the past two years.

Baltex can be used by both brokers and principals and has been developed in close collaboration with the market. All live prices can be seen by Baltex screen members, but the trader's identity is kept anonymous to all except the nominated broker. As well as a live trading screen, a view only option will be available to those who simply want to see the depth of the market. This view only mode will also be made available through quote vendors.

Baltex is designed to be an easy to use tool for freight derivatives traders. It incorporates a fully bespoke screen layout, built-in warnings and functionality which can be tailored to traders' needs as well as an Application Programming Interface (API) which can be used to interface into in-house systems.

Baltex is closely monitored by a compliance team in London.

## **Ends**

For further details, please contact Bill Lines.

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## **Notes to editors**

Full details on Baltex can be found at [www.balticexchange.com/baltex](http://www.balticexchange.com/baltex)

## **The Baltic Exchange**

The Baltic Exchange is the world's only independent source of maritime market information for the trading and settlement of physical and derivative contracts. Its international community of over 590 members encompasses the majority of world shipping interests and commits to a code of business conduct overseen by the Baltic.

Baltic Exchange members are responsible for a large proportion of all dry cargo and tanker fixtures as well as the sale and purchase of merchant vessels.

### **Baltic Exchange services**

- Independent, high quality dry, wet and gas freight market information
- Self-regulated chartering, sale and purchase and freight derivatives markets
- Central forum for competing freight market interests
- Framework ensuring high standards of business practice and co-operation
- London-based business facilities for members