



# PRESS RELEASE

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## BALTEX APPROACHING CRITICAL MASS

Four weeks after its launch, the Baltic Exchange's electronic marketplace for dry freight derivatives, Baltex, is close to achieving the critical mass needed for success with 15 principals and 5 broker members now using the system.

Principals signed up include:

Alfred C Toepfer  
AM Nomikos  
Barclays Capital  
Bocimar International  
Dry Log  
Cargill International  
Castalia Springs  
Glencore International

Global Maritime Inv  
Marfin Popular Bank  
Macquarie Bank  
Morgan Stanley International  
Noble Chartering  
Pacific Basin Chartering  
Vitol

As expected, initial trading volumes have been light, but Baltex members have been putting competitive prices on the screen and trades are clearing within 20 minutes.

Baltex Chief Operating Officer Paul Stuart-Smith said:

"With a critical mass of companies signed up and at least a further 30 in the pipeline, we have now entered the second phase of the development of this market which is to build up liquidity. We will be proposing a market-maker scheme designed to boost volumes; increasing the number of jurisdictions in which Baltex can be used and continuing to market the system in key trading centres."

Next week sees the Baltic Exchange hosting a Freight Market Information Users Group (FMIUG) meeting which will be attended by many of the Baltex market members at which the development of the market will be discussed.

Launched on 8 June and 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.

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 [.balticexchange.com/](http://.balticexchange.com/)

## **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 600 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