Baltic Exchange Initiatives

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19 September 2017
Baltic member services

- Represents markets
- Independent freight data provider
- Baltic Code
- Arbitration & disputes
- Networking events
- Business venue
- Education
Baltic member services

- 630 global corporate members
- 2500 individual members
- Governed by the Baltic Exchange Council with input from international advisory Councils comprised of index users, panellists and FFA brokers
- Membership represents every major shipping sector from shipping centres worldwide
The Baltic Exchange is the world’s leading source of independent maritime data.

- Daily: 9 indices – 4 TC Averages - 69 routes – fixture list – market reports
- Based on assessments from a global panel of brokers
- Used globally by shipbrokers, owners, operators, traders and charterers for benchmarking and the settlement of physical and derivative contracts
- Published during both the European and Asian timezones
Baltic member services

- "Our Word Our Bond" – symbolises the importance of ethics in trading
- Covering the principles of shipbroking and highlighting unacceptable practices
- All members must adhere to the Code
- Will be updated in 2018 to reflect changes in the market place and to reflect IOSCO rules
In the first eight months of 2017, the Baltic Disputes Resolution has assisted members in the collection of more than US $800,000.
Regular “Baltic Briefings” covering relevant subjects
► Young Baltic Association (YBA) events in London, Singapore and Shanghai
► Other local networking events for members as part of user meetings, forums and FFABA events
► Chinese Shipping Association
► Baltic Wine Society
► Sport clubs
Commencing in September, the Baltic and the Institute of Chartered Shipbrokers (ICS) will be jointly presenting a series of training lectures for members in London and Singapore.

Well-established professional courses on Shipping Economics, Freight Modelling & Trading and Freight Derivatives and Risk Management have been run for the past 10 years.
Baltic member services

- A range of historic and contemporary meeting spaces are available at the Baltic
- Providing high quality conference facilities, private dining and smaller meetings
- The newly-refurbished Baltic Bar offers an informal option for business lunches and client entertainment
Data
Baltic index methodology

- Panellists
- Baltic freight market department
- Route assessments
- Fixture report Market report

Index production
Baltic index methodology

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Baltic index methodology

Monitor Submissions

• Interact with Panellists

FREIGHT MARKET TEAM

Assessment Time
12:30 LON

Inputs Due
12:45 LON

Publish Time
13:00 LON

Reporting Window

Market Discussion

empty
reporting
checking
publish

PANELLISTS GRID (SUBMISSIONS)

Baltic Exchange
Baltic index daily timeline

13:00 **BEP Asia**
   1 route / 9 panellists

   **BES Asia**
   3 routes / 9 panellists

16:00 **BITR Asia**
   4 routes / 9 panellists

18:00 **Capesize**
   12 routes / 13 panellists

20:00 **Panamax**
   4 routes / 14 panellists

   **Supramax**
   8 routes / 11 panellists

   **Handysize**
   6 routes / 15 panellists

23:00 **Dirty**
   16 routes / 18 panellists

   **Clean**
   9 routes / 15 panellists

   **LPG**
   1 route / 7 panellists

12:00 **Baltic Forward Assessments**
   25 routes / 7 panellists
Panamax Tess 82 – Currently in public trial

- New definition: 82k 5TC
- Previous definition: 74k 4TC
- Live dual reporting (minimum 12 months)

- User feedback & working group discussion
- Visibility: Baltic only
- BIC approval
- Visibility: + panelists
- Public trial Visibility: + users
- Live dual reporting (tbc)
- Last meeting: 8 February 2017
- 25 April 2017
- 3 May 2017
- 1 August 2017
Handysize Imabari 38 Vessel

New definition live

Previous definition

28k 6TC

New definition

38k 7TC

19 July 2017

16 February 2017

19 July 2017

Not required

October 2017

Public trial

Visibility: + users

Visibility: + panellists

Private trial

BIC approval

User feedback & working group discussion

Blind trial

Live dual reporting
(minimum 12 months)
Supramax Tess 58 & 10TC routes

1. Private trial: Tess 58 & 10TC routes
2. Public trial: Period of dual reporting. Minimum of 12 months
4. Cease reporting: Future
5.Derived value for the Tess 52 ceases
TD3 – upcoming change

Current description
- 265,000mt Ras Tanura to Chiba

Proposed change in discharge port
- 270,000mt Ras Tanura to Ningbo

- Q2/Q3 2015
- 4 April 2017
- 2 Jan 2018

Live dual reporting
- Implementation

Market consultation
New initiatives
New products and services

**LNG** – new weekly assessment of a benchmark vessel based on three possible routes. Consultation with the market and panellists is underway to commence Q4 2017.

- 165,000 cbm TFDE propulsion with 0.1% boil off
- 17 knots on about 100mt fuel
- Port consumption about 20 tons/day idle / 40 tons working
- Delivery cold, ready to load

Routes (all basis 1.25% commission):
- Loading Sabine, cargo to be loaded 30-40 days from Index date for 60 days round voyage via Panama canal basis discharge in Far East.
- Loading Sabine, cargo to be loaded 15-20 days from Index date for 30 days trans Atlantic round voyage basis discharge in Europe
- Loading Malaysia-Australia, cargo to be loaded 15-20 days from Index date for 20-30 days round voyage basis discharge in Pacific
New products and services

Escrow

Plan to provide a cost-effective Escrow service to members for S&P transactions, bunker disputes etc. This will be provided out of Singapore and commence in 2018
New Council and consultation structure

Baltic Exchange Council

- Baltic Index Council
- Baltic Membership Council
- Advisory Councils
New Council and consultation structure

Baltic Exchange

Baltic Asia Advisory Council (BAAC)
Baltic European Advisory Council Dry (BEACd)
Baltic European Advisory Council Wet (BEACw)
Baltic US Advisory Council (BUSAC)

Market place
Our word our bond