

Dry Bulk Freight

SD-CMTM

The dry freight market has grown over the past few decades with the explosion of maritime commerce and global trade. In fact, the pace of movement of raw materials is seen as a leading indicator to the health of global trade and economic growth.

The dry freight derivatives market has itself seen rapid growth over the years, as measured by dry FFA (Forward Freight Agreements) volumes traded in the OTC market and reported by the Baltic Exchange.

Increased volumes, an expanding number of counterparties and the development of cleared freight products by clearing houses demonstrate the extent to which the industry has embraced this growing asset class.

With this continued growing popularity, the industry requires sophisticated risk management and pricing tools to manage freight risk and exposure in the volatile shipping market efficiently and accurately.

The SuperDerivatives® solution

SuperDerivatives' (SD) Dry Bulk Freight service offers financial institutions, maritime brokerages, ship owners, charterers, physical trading companies and energy firms a solution to manage portfolio freight exposure and price.

SD now offers FFAs and options on FFAs on a wide range of vessel size and ocean routes as part of its commodities and energy solution, SD-CM. SD-CM's Dry Bulk Freight offering facilitates easy access to independent pricing, risk management, mark to market valuations, pre-trade analysis tools and extensive portfolio management capabilities.

SD provides the widest coverage of commodity and energy derivatives on a real-time basis, from vanilla to the most advanced structures, across a huge range of underlying assets. SD now provides the ability to manage all risk, both physical and financial, and associated hedging in one solution: freight, fuels, currency exchange rate and interest rates exposure are all managed on SD's front office system on a real-time basis, which also fulfils all the requirements for compliance and regulation.

Delivered as an easily-integrated web-based service, SD's unique solution provides wide, multi-asset coverage, enhancing the productivity and transparency of the organisation's entire derivatives business.



The benefits of SD's Dry Bulk Freight derivatives solution include:

- > On-demand price discovery for all supported structures in dry freight
- > The ability to properly assess and hedge risk in a volatile market
- > Support throughout the pre- and post-trade cycle
- > Accurate and independent pricing for mark-to-market valuations
- > Access to current and historical pricing

Customers benefit from:

- > Improved risk decision making
- > Improved price execution
- > Increased risk management awareness
- > Increased transparency and standardisation for the market
- > Increased liquidity

Features and coverage

SD's Dry Bulk Freight offering covers the four sizes of ocean-going dry bulk transport vessels and associated routes:

- > Capesize (C3, C4, C5, C7, BCI T/C average)
- > Panamax (P2A, P3A, BPI T/C average)
- > Supramax (BSI T/C average)
- > Handysize (BHS1 T/C average)

SD supports swaps, swap strips, spreads, Asian and Asian strips.

About SD-CM

The 24-hour, web-based SD-CM system delivers market prices for all OTC and exchange traded derivatives, including vanillas, asians, swaps, spreads, strips and many other types of derivative structures. In addition, it accurately prices both built-in and custom multi-leg structures.

SD-CM is the most user-friendly and powerful system in the commodity derivatives marketplace. Coverage includes more than 80 instruments across 100+ underlying assets, ranging from precious metals, base metals, oil and refined products and natural gas to electricity, emissions, agricultural markets and freight.

SD-CM utilises a real-time price feed from global commodity exchanges and also provides real-time price indications on a selection of non-exchange traded OTC markets. Complementary data is also obtained from multiple trusted interbank OTC market contributors. SD-CM incorporates built-in support of market conventions and users can override any pricing parameter, enabling quick entry of option parameters in the different commodity sectors.

SD-CM is highly customisable. Regularly updated with new tools and features and supported by a dedicated 24-hour customer help desk, SD-CM requires no installation, maintenance or upgrade procedures.

For more information about SD-CM, its rich analytics capabilities, pricing, analysis and risk management tools and the range of instruments and commodities SD supports, go to <http://www.sdgm.com/en/Multi-Asset/Commodities.aspx>.

Buenos Aires

Tel: +54 11 4375 2681

Hong Kong

Tel: +852 2273 5830

London

Tel: +44 (0)20 7648 1050

Mumbai

Tel: +91 22 6746 4123

New York

Tel: +1 212 768 7871

Singapore

Tel: +65 643 50333

Sydney

Tel: +61 2 9006 1421

Tokyo

Tel: +81 3 5219 1377

About SuperDerivatives

SD is transforming the world of derivatives by introducing transparency to all major traded derivative classes including foreign currency, interest rates, equities, commodities, energy and credit. Providing prices that reflect the interdealer market has led the company's web-based, market-calibrated solutions to be widely accepted as the benchmark for derivatives pricing.

Trading professionals on both the buy and sell side benefit daily from SD's unique combination of unbiased, aggregated market data and sophisticated modelling techniques. The company also provides fully fledged risk management systems, award winning derivatives data and independent portfolio revaluation services.

At the core of all the company's solutions is SD's extensively sourced and intelligently amalgamated market data, comprising true live market rates that are acid tested in real-time in the marketplace by active traders and run through a proven pricing model.

Customers include leading banks, hedge funds, asset managers, custodians and hedge fund administrators in more than 60 countries, supported by a global network of SD offices with 24-hour support services.

SD's multi-asset solutions also cover foreign exchange, interest rates, equities and credit derivatives, enhancing the efficiency and effectiveness of the organisation's entire derivatives business.

To find out more about our range of solutions, contact your local sales representative or go to www.sdgm.com.