

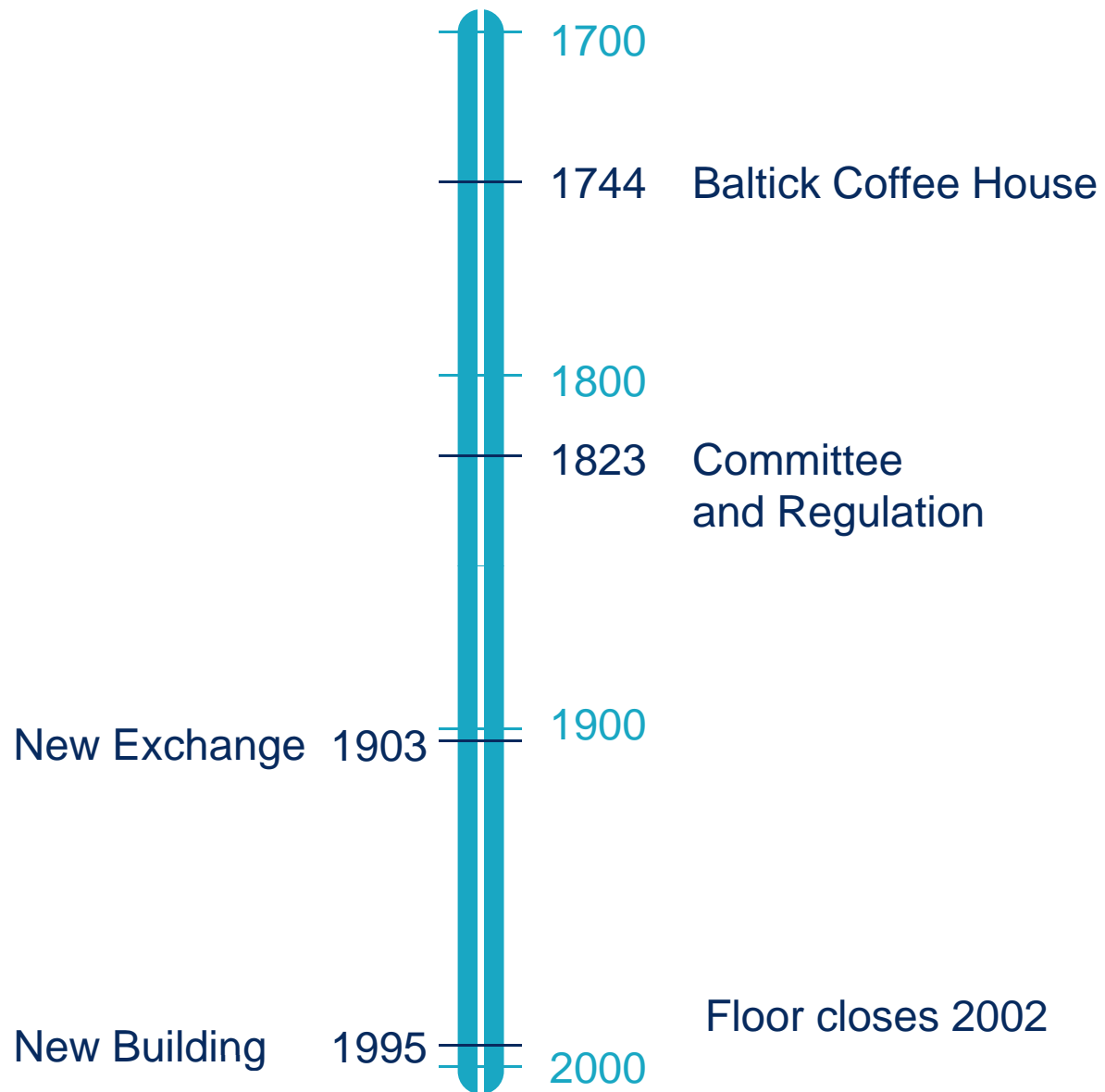
The Baltic Exchange



Jeremy Penn
Chief Executive

Our word **our bond**

History



Baltic Exchange

- Membership organisation
- Baltic Exchange Code of Conduct
- Provider of independent freight market data
- 580 member companies – shipbrokers, shipowners, charterers, freight derivative traders
- 50% of dry bulk fixtures
- 50% of tanker fixtures
- Training, sports, social



Baltic market information

- **Indices**
 - Baltic Exchange Dry Index (Baltic Freight Index)
 - Baltic Exchange Panamax Index
 - Baltic Exchange Capesize Index
 - Baltic Exchange Supramax Index
 - Baltic Exchange Handysize Index
- **Baltic Exchange Dirty/Clean Tanker Indices**
- **Settlement data**
- **LPG route assessment**
- **Baltic Exchange Sale & Purchase Assessment**
- **Baltic Exchange Ship Demolition Assessment**
- **Daily dry cargo fixture list**
- **Baltic Exchange Forward Assessment**



Baltic Dry Index

Capesize (172,000 mt dwt) – 25%

C8_03 Gibraltar/Hamburg trans Atlantic round voyage

C9_03 Continent/Mediterranean trip Far East

C10_03 172000mt Pacific round voyage

C11_03 172000mt China/Japan trip Mediterranean/Cont

Panamax (74,000 mt dwt) - 25%

P1A_03 Transatlantic RV

P2A_03 SKAW-GIB/Far East

P3A_03 Japan-SK/Pacific/round voyage

P4_03 Far East/NOPAC-AUST/SK-PASS

Supramax (52,454 mt dwt) - 25%

S1A Antwerp - Skaw Trip Far East

S1B Canakkale Trip Far East

S2 Japan - SK / NOPAC or Australia round voyage

S3 Japan - SK Trip Gib - Skaw range

S4A US Gulf - Skaw-Passero

S4B Skaw-Passero - US Gulf

Handysize (28,000 mt dwt) - 25%

HS1 Skaw - Passero trip Recalada - Rio de Janeiro

HS2 Skaw - Passero trip Boston – Galveston

HS3 Recalada – Rio de Janeiro trip Skaw – Passero.

HS4 US Gulf trip via US Gulf or NCSA to Skaw – Passero

HS5 SE Asia trip via Australia to Singapore – Japan

HS6 S Korea – Japan via NOPAC to Singapore-Japan



Indices

- Combinations of routes – eg:

Route		Weighting
C2	160000lt Tubarao -Rotterdam	10%
C3	160000mt Tubarao - Qingdao	15%
C4	150000mt Richards Bay - Rotterdam	5%
C5	160000mt W Australia - Qingdao	15%
C7	150000mt Bolivar - Rotterdam	5%
C8_03	172000mt Gibraltar/Hamburg trans Atlantic RV	10%
C9_03	172000mt Continent/Mediterranean trip Far East	5%
C10_03	172000mt Pacific RV	20%
C11_03	172000mt China/Japan trip Mediterranean/Cont	5%
C12	150000mt Gladstone - Rotterdam	10%



Sample voyage route (dry)

Route: C5

W Australia/Qingdao, 150,000 mt 10 per cent iron ore free in and out, 18m salt water arrival draft, scale load/30,000
Sundays holidays included discharge, 6 hours turn time at loading port and 24 hours at each discharge port. Laydays 20 days forward from date of index, cancelling max. 35 days forward from date of index. Vessel's age max. 18 years. Freight based on metric tonnes. 3.75 per cent total commission.

Nominal Weighting =15%

\$ per tonne



Sample time charter route (dry)

Standard "Tess 52" type vessel with grabs as follows:

- 52,454 mt dwt self trimming single deck bulkcarrier on 12.02 m SSW
- 189.99 m LOA 32.26 m Beam 5ho/ha 67,756 cum.grain 65,600 cum.bale
- 14L /14.5B on 30mt (380 cst) no mdo at sea
- Cr 4 x 30 mt with 12 cum grabs
- Maximum age - 10 years

Route: S1A

Delivery Antwerp/Skaw range for a trip of 60/65 days redelivery
Singapore/Japan range including China 5 per cent commission
total. Laycan 5/10 days in advance. Weighting 12.5 per cent.
Standard

\$ per day



Sample route (wet)

Route: TD1

280,000mt, Middle East Gulf to US Gulf. Ras Tanura to LOOP with laydays cancelling 20/30 in advance. Maximum age 20 years.

Expressed as Worldscale, but...

- Baltic Exchange Time-Charter Equivalents
- Enable transparent pricing of tanker FFAs for banks and other traders
- VLCC, aframax, suezmax & MR tankers




Fixture list

The Baltic Exchange - Fixture List 28/11/08 - Microsoft Internet Explorer

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our word our bond

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BALTIC EXCHANGE DAILY FIXTURE/INDEX LIST 28/11/2008

**BDI 715 (DOWN 18) BCI 838 (DOWN 20) BPI 622 (DOWN 31)
BSI 622 (DOWN 10) BHSI 315 (DOWN 1)
Last published BDTI 1016 (UP 45) BCTI 893 (DOWN 4)**

TIMECHARTER

'Minerali' 1981 77677 dwt dely dop Montoir spot trip via US Gulf redel UAE \$3500 daily - Windrose - <corrects report from 27/11>
'Nord Galaxy' 2006 76500 dwt dely Gladstone 15/20 Dec trip redel Taiwan \$5000 daily + \$140000 bb - Oldendorff - <fixed 25/11>
'De Xin Hai' 2008 76432 dwt dely aps NoPac 10/15 Dec trip redel Singapore-Japan rge \$5000 daily + \$170000 bb - Louis Dreyfus - <corrects 27/11 report>
'Clipper Emperor' 2000 76400 dwt dely dop Rotterdam 5/7 Dec trip via Amsterdam & Poland redel Skaw approx \$5100 daily - EdF
'Star of Nippon' 2004 75611 dwt dely Shanghai 29/30 Nov trip via West Australia redel Jebel Ali int alumina \$5000 daily - SK Shipping
'Richmond' 1995 75473 dwt dely retro Immingham 26 Nov trip via Baltimore redel Gijon \$4500 daily - Armada
'Nordems' 2001 75323 dwt dely Rotterdam 1/3 Dec trip via St.Lawrence redel Singapore-Japan rge \$7500 daily - Armada
'Flippo Lembo' 1997 75264 dwt dely Haldia spot trip redel China \$8000 daily - Jaldhi
'Voge Prestige' 1995 75100 dwt dely Mundra 3/8 Dec trip via Goa redel China \$6200 daily - cnr
'Evangelia Petrakis' 2006 74500 dwt dely aps Richards Bay 27/30 Nov trip redel Brindisi \$3750 daily + \$120000 bb - SK Shipping
'Bahia Blanca' 1998 74034 dwt dely Guangzhou 27/29 Nov trip via West Australia redel Richards Bay int alumina \$5500 daily - BHP Billiton
'Genco Archeron' 1999 72495 dwt dely Fos 28/30 Nov trip via US Gulf redel Singapore-Japan rge \$7800 daily - cnr - <recent>
'Mar Reina' 1998 72474 dwt dely Haldia 8/12 Dec trip via Paradip & Haldia redel China \$7750 daily - SST
'Alpha Glory' 1999 72270 dwt dely retro Cape Passero 24 Nov trip via Santarem redel Amsterdam \$5000 daily - Cargill
'Enerov' 1993 69255 dwt dely Mundra nnt trin via WC India redel

BLINES

BEX

My Account

[Click here to log-out](#)

Past Fixture Reports

- [2008 Oct-Dec](#)
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Market reports

The screenshot shows a Microsoft Internet Explorer browser window with the address bar displaying <http://www.balticexchange.com/default.asp?action=article&ID=611>. The page title is "The Baltic Exchange - Market Report 28 November 2008".

The page layout includes a navigation menu on the left with the following items: Home, About Us, Venue Hire, Market Information (with sub-links for Indices, Fixtures, Reports, General, Sugar, Bunkers, Containers), Expert Witness, FFA, Member Information, Market Announcements, Joining the Baltic, Press Room, and Key Contacts.

The main content area is titled "our word our bond" and "MARKET REPORT 28/11/2008". It displays the following market data:

**BDI 715 (DOWN 18) BCI 838 (DOWN 20) BPI 622 (DOWN 31)
BSI 622 (DOWN 10) BHSI 315 (DOWN 1)**

CAPEIZES

Capesize activity virtually ground to halt today with hardly anything fresh reported fixed, brokers said.

BHP Billiton was rumoured to have taken a big ship for a Gladstone/Rotterdam cargo, but little else emerged.

The charterer was also linked with the Fernandina, 174,204-dwt 2006-built spot Singapore for a trip to the Atlantic, but again a rate was not forthcoming.

In the Atlantic there was talk that a Japanese-controlled 180,000 tonner was talking \$5,850 daily plus a \$100,000 bonus for 2 to 4 months trading with Brazil delivery.

PANAMAXES

Activity in the Atlantic market ground to a halt today with hardly any ships disappearing from the lists, brokers said.

The Indian Ocean area remained the most active with rates here slightly higher than levels achievable in the Atlantic or further east, but overall the outlook remained grim.

ATLANTIC

The Fortune Sunny, 2008-dwt 81,900-dwt open Continent early December was rumoured on subjects for a trip to the east, but details remained private.

It emerged that the Cargill took the Alpha Glory, 72,270-dwt 1999-built, which passed Cape Passero 24 November, for a trip via Santarem to Amsterdam at a reasonable \$5,000 daily given the current market.

The RBD Capri, 76,619-dwt 2008-built, in a long chain and spot for some time in Liverpool, fixed on subjects, but little else emerged.

The 70,424-dwt 1990-buuilt B Asia ready 10 December in the US Gulf fixed for a transatlantic run, but little else emerged.

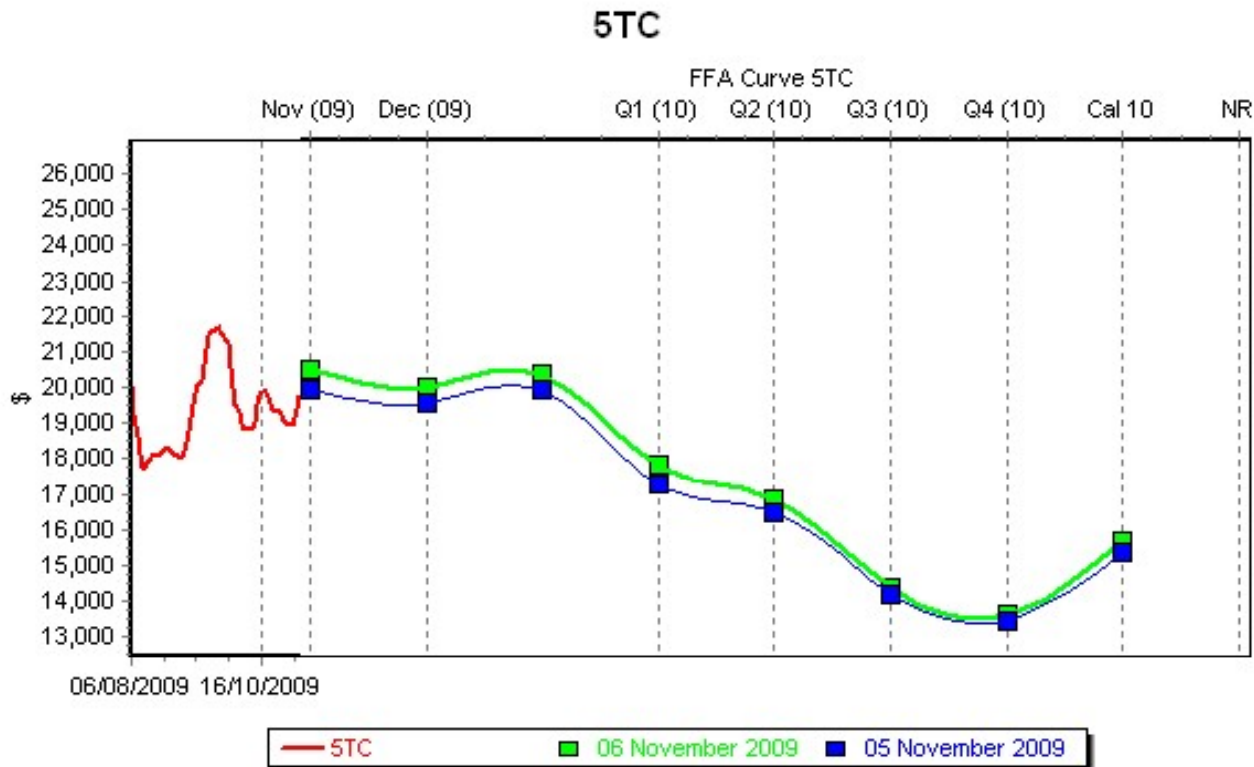
ASIA

The emphasis so far has been in India with several ships reported

The sidebar on the right contains the following links: BLINES, BEX, My Account, Click here to log-out, and Past General Reports. The Past General Reports list includes: 2008 Oct-Dec, 2008 Jul-Sep, 2008 Apr-Jun, 2008 Jan-Mar, 2007 Oct-Dec, 2007 Jul-Sept, 2007 Apr-Jun, 2007 Jan-Mar, 2006 Oct-Dec, 2006 Jul-Sep, 2006 Apr-Jun, 2006 Jan-Mar, 2005 Oct-Dec, 2005 Jul-Sep, 2005 Apr-Jun, 2005 Jan-Mar, 2004 Oct-Dec, and 2004 Jul-Sep.



Forward curve: Supramax TC average



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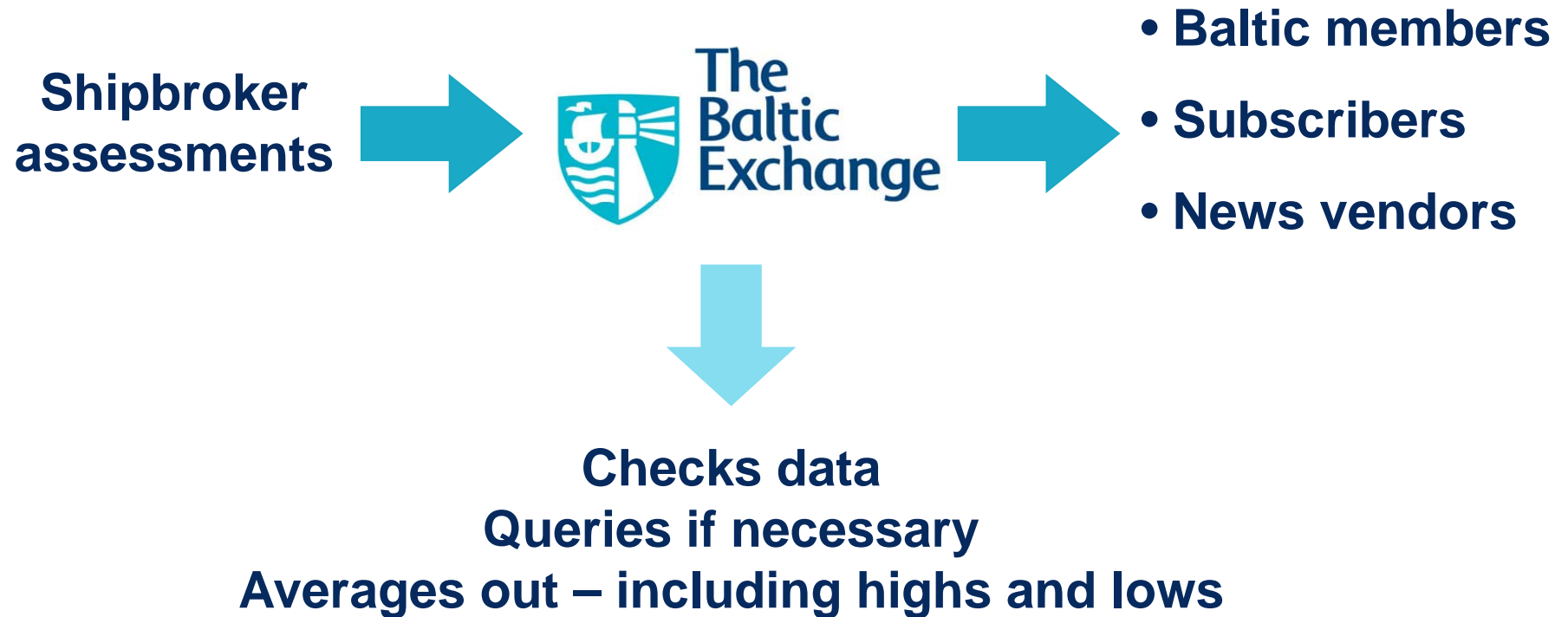


Options assessments

- Daily assessments of Implied Volatility for an at the money option in the dry bulk options market
- Capesize, Panamax and Supramax Average Timecharters
- Submitted by brokers at 1730 (London).



Index production

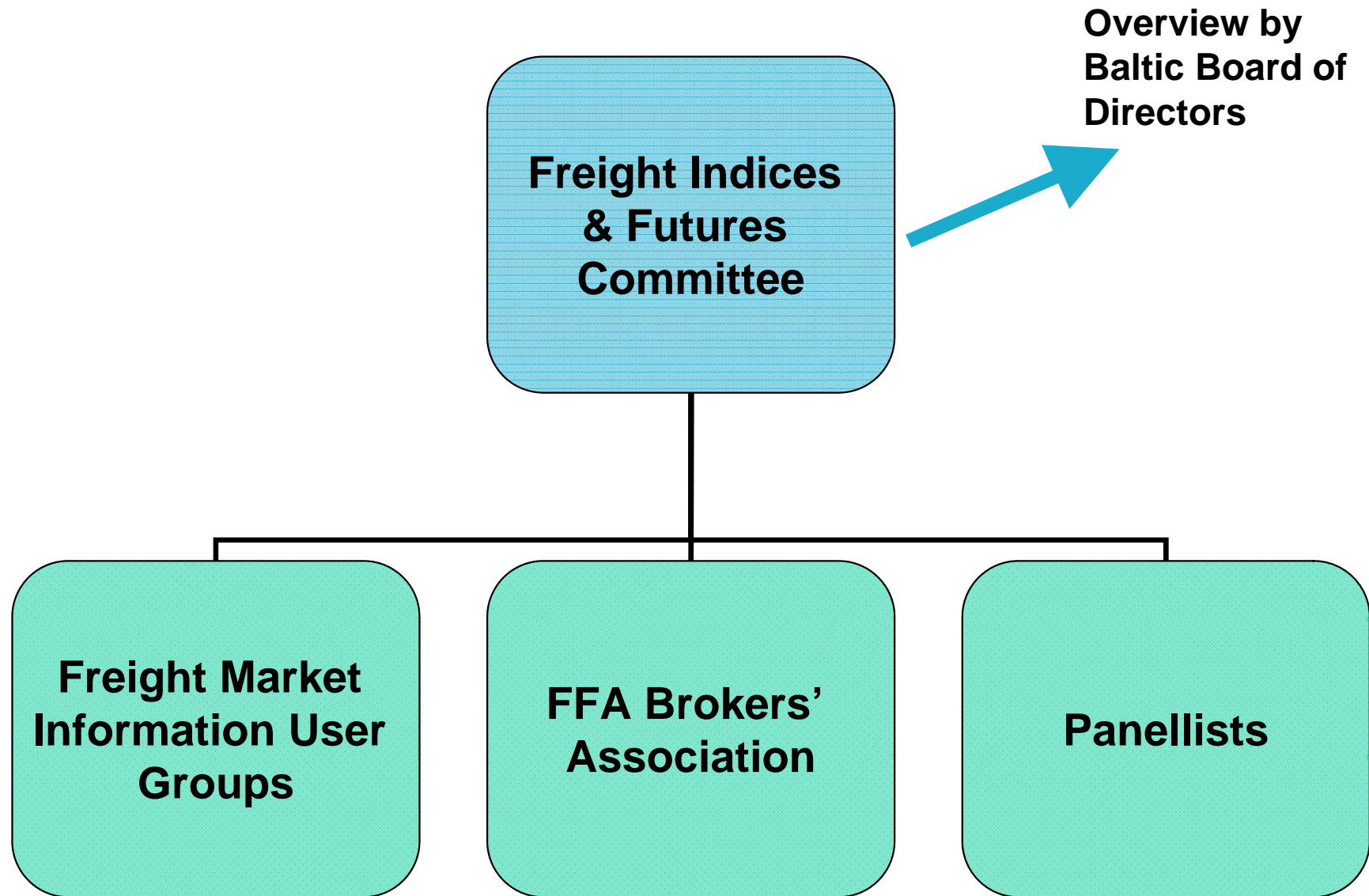


Collating the information

- Online panellist inputs
- Information exchange between Baltic & panellists throughout the day
- Discussion of:
 - Known & recently concluded fixtures?
 - Current negotiations?
 - Vessels available?
 - Known stems?
 - Laycan?
 - Prompt delivery?
 - Age factors?



Control of Baltic information



Auditing panellists

- Annual audit process – includes visit to panellists' offices
- Staff overview – sufficiently qualified brokers available?
- Additional audit process by Moore Stephens



Who are the Baltic panellists?

- International shipbroking firms
- No Principals
- Panellists must be recognised as competent, professional firms, actively engaged in the markets they report, with adequate personnel to perform the role of panellist
- Members of the Baltic Exchange
- Geographical spread
- Avoid the appointment of panellists who are exclusive representatives of charterers particularly influential in relevant trades



Capesize panellists

Arrow Chartering (UK)

Banchero-Costa & C s.p.a

Barry Rogliano Salles

Clarksons

Fearnleys A/S

E A Gibson Shipbrokers

Howe Robinson & Co Ltd

Ifchor SA

Ildo Chartering Corporation

LSS B

Neo Chartering Corporation

Simpson Spence & Young Ltd

Thurlestone Shipping Ltd



Panamax panellists

Acropolis Chartering & Shipping

Arrow Chartering (UK) Ltd

Banchero-Costa & C s.p.a

Barry Rogliano Salles

Braemar Seascope

Chinica Shipbrokers Ltd

Clarksons

Fearnleys A/S

GFI Brokers Ltd

E A Gibson Shipbrokers Ltd

Hai Young Int

Howard Houlder (Dry Cargo) Ltd

Howe Robinson & Co Ltd

Icap Shipping Ltd

Ifchor SA

Lawrence (Chartering) Ltd

LSS F

Maersk Broker

Neo Chartering Corporation

Optima Chartering

Simpson Spence & Young Ltd

Thurlestone Shipping Ltd

Yamamizu Shipping Co Ltd



Supramax panellists

Barry Rogliano Salles

Clarksons

Galbraith's Ltd

Howe Robinson & Co Ltd

Icap Shipping Ltd

Ildo Chartering Corporation

John F Dillon & Co

L Dens (Shipbrokers) Ltd

Lightship Chartering A/S

Maersk Broker UK

P.C Li Shipbrokers Ltd

Simpson Spence & Young

Yamamizu Shipping & Co



Handysize panellists

Barry Rogliano Salles

Clarksons

Galbraith's Ltd

Howe Robinson & Co Ltd

Icap Shipping Ltd

Ildo Chartering Corporation

John F Dillon & Co

L Dens (Shipbrokers) Ltd

Lightship Chartering A/S

Maersk Broker UK

P.C Li Shipbrokers Ltd

Simpson Spence & Young Ltd

Yamamizu Shipping & Co Ltd



Panellists (wet)

A C M Shipping

Barry Rogliano Salles

Bassoe (PF)

Braemar Seascope

Bravo Tankers

Capital Shipbrokers

Charles R Weber Company

Clarksons

Clarksons (Asia)

Eastport Chartering

Fearnleys

Galbraith's

E A Gibson Shipbrokers

ICAP Shipping

Island Shipbrokers

Mallory Jones Lynch Flynn

McQuilling Brokerage Partners
(New York)

McQuilling Brokerage Partners
(Singapore)

Odin Marine (Singapore)

Riverside Tanker Chartering

Simpson Spence & Young

Simpson Spence & Young (Singapore)

Weberseas



The Baltic Exchange

