

NOS expands netting as correlations improve

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Increased liquidity in the cleared freight derivatives market, has meant that more and better data has become available on all cleared freight routes.

As a result, a change in correlations between routes has been observed.

NOS, (the Norwegian Futures and Options Clearing House) is therefore introducing expanded correlation matrices for certain freight routes.

This will mean that netting is now available even on the longest freight futures contracts.

In addition, more consistent correlations in futures pricing have been observed, which means that the netting effect can be increased for contracts with lower correlations.

NOS are with immediate effect netting all contracts with correlations better than 0.5, compared to the previous 0.6 limit.

For more information on how this affects you, please contact
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No
No relation

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