

New Supramax contracts (SM5TC) on screen from 3 January

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The Baltic Exchange will stop publishing its Handymax Index (BHMI) on the 23 December 2005. The benchmark dry freight index will be replaced by the Baltic Supramax Index (BSI) from the 1st of January 2006.

As a result the HM6TC contracts (basket of 6 handymax timecharter routes settled against the BHMI), will not be available on the Imarex screen after Friday 23 December.

On the 3 January the SM5TC (basket of 5 Supramax time charter routes) will be available for trading on the screen.

The BSI is being published both as a dollar and index figure so that you can compare it directly with other Baltic indices.

Conversion of Handymax to Supramax

The route names and descriptions for the new Handymax assessment, called Baltic Supramax Index (SM5TC), are as follows:

- S1A: Antwerp Skaw Trip Far East Weighted 12,5%
- S1B: Canakkale Trip Far East Weighted 12,5%
- S2: Japan SK / NOPAC or Australia rv Weighted 25,0%
- S3: Japan SK Trip Gib Skaw range Weighted 25,0%
- S4: 52000mt Transatlantic rv Weighted 25,0%

All HM6TC contracts with final settlement date prior to January 1st, 2006, are settled based on the HM6TC index (old description) and all HM6TC contracts with final settlement date after January 1st, 2006, are settled based on the SM5TC index (new description).

The HM6TC contracts will be converted to SM5TC contracts January 3rd, 2006, by using the

following method:

- Calculate the average of the HM6TC index (taken to 4 decimal places) over the 6 month period July 1st to December 23rd inclusive
- Calculate the average of the SM5TC index (taken to 4 decimal places) over the 6 month period July 1st to December 23rd inclusive
- The difference between these two will be expressed as a percentage (taken to 4 decimal places), called the Conversion Rate
- Then converting contracts, the Conversion Rate will be applied to all historical trades with final settlement date after 1st of January, 2006
- The adjusted contract rate (adjusted trade price) will be rounded off to the nearest integer

In the clearing system all HM6TC trades will be closed at the original contract rate (trade price), and the new SM5TC trades will replace HM6TC using the adjusted contract rate.

The Tick by Tick report, value date January 3rd, 2006, will show both the closing of HM6TC trades and the new SM5TC trades.

The Conversion Rate will be published by NOS 27th December 2005, and the conversion of trades will take place January 3rd, 2006.

Please see attached a circular from NOS on this issue:

- [NOS Supramax](#)

If you require further information about:

- Settlement days and contract structures
- Conversion factors between the HM6TC and the SM5TC
- Imarex market place support

To trade SM5TC at Imarex, live and instantly cleared in a full range of contract sizes from 5 to 365 days, please contact Imarex on +47 2389 4220 in Oslo or +65 6720 0050 in Singapore or by email: response@imarex.com

No
No relation

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