

Imarex Bunker fuel oil derivatives take off

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After just one month of trading at Imarex, the bunker fuel oil derivatives market is showing clear signs of a very successful market launch.

A total of 23 transactions were traded in the period, which means that more than 1 contract was traded every day in the first month. A full 260 000 metric tonnes were traded, with an additional 200,000 tonnes being fixed off-screen.

During the period, the average number of lots (contracts) traded per transaction was 11. However, the nominal trade value of all trades was USD 57 million. This means that the average transaction size was USD 2.4 million.

All members of Imarex and NOS can now trade both CLEARED freight and bunker fuel oil derivatives on the Imarex screen, taking advantage of the following key benefits:

1. Trade freight and bunkers on the same screen
2. NO credit risk – instant clearing of all trades
3. One single counterpart, account, settlement, account, settlement and margin requirement
4. Full anonymity every time
5. Access to all 112 members +
6. Daily forward curves for all contracts
7. Trade at the same commission rate as in the OTC market
8. Two click trading of firm prices, both ways
9. Release credit lines otherwise tied up in the OTC market
10. Don't get stuck with a position - Get out as easily as you got in, at market prices

The bunker fuel oil derivatives market is worth in excess of USD 60 billion per year with as many as 25,000 transactions taking place annually.

Due to the high oil prices globally, bunker fuel oil now make up as much as 60% of the running

costs of a ship.

Members of Imarex and NOS can now trade the following contracts on screen:

- Rotterdam 3.5% S Barges FOB (Platts)
- NWE 1.0% S Cargo FOB (Platts)
- Singapore HSFO 380 C/St FOB (Platts)
- Singapore HSFO 180 C/St FOB (Platts)
- Fujairah IFO380 c/St Bunker FOB (Bunkerworld)

These are UNIQUE, because they are offered as the only electronically traded bunker fuel oil contracts with straight-through clearing.

When trading a cleared contracts, the following occurs:

- Trade is done on the Imarex screen (or an Imarex broker registers the trade on the screen for you)
- Within 0,5 seconds the trade is checked, approved and cleared at NOS
- You receive a deal ticket (trade recap) from Imarex
- You receive daily statements from NOS showing the value of your portfolio and how much "variation margin" need to be deposited/credited.
- You will be credited your profits debited your losses
You will be credited reduced variation margins, and you be asked to deposit increased variation margins - both daily
- You are free to sell / buy back your position at any time on the Imarex screen

To get started on bunker fuel oil derivatives, contact your Imarex broker, or fill in the form here:

http://www.imarex.com/bunker_derivatives/getting_started

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2006.01.03 14:57