

6 July 2009

Freight futures trade value up 38 % month-on-month

Trading Statistics for June 2009

The total number of maritime freight derivatives transactions was up 10 % on the previous month, to 1 895 transactions. In May the overall traded value increased by 62 % month-on-month compared with April, and this trend continued in June with an overall trade value growth on May of 38% to USD 994 million, representing a 161% growth on the 12 month low (December 2008). The total number of lots¹ increased to 42 523, up 20% from May and 57% from the 12 month low (December 2008).

Energy trading volume meanwhile was up 12 % month-on-month, to 1 114 TWh², while the overall number of energy³ transactions, at 27 369, was up 9 % compared to the previous month.

“These statistics are good news and we are especially glad the freight futures market is recovering more and more every month. It shows through in the increase in the number of transactions, in volume and in trade value,” says Herman W. Michelet, Chief Executive of Imarex. “Other highlights include that the open interest on options has hit a new record and our energy business is showing volume growth of 12 % year-on-year.”

Energy Contracts

The volume of energy traded was 1 114 TWh – up 12 % on June 2008, while the number of energy transactions concluded was 27 369, up 8 % on last June.

Tanker and Dry Bulk Derivatives

The number of dry bulk futures transactions was up 34 % year-on-year and has increased by 263% from the 12 month low (December 2008). Dry bulk freight rates kept increasing through June 2009. The dry bulk freight rates can be illustrated by the Baltic Exchange Dry Index for spot rates, which was 3 494 at the end of May and 3 757 in the end of June 2009. The trade value of dry bulk futures transactions continued to grow for the third straight month to USD 374 million in June, up 399% from the 12 month low of USD 75 (March 2009) and up 32% on May.

The trade value of tanker futures rose 54 % month-on-month – to USD 385 million, alongside a strong growth in tanker volumes - up 51 % from May 2009, at 24 766 lots. Compared to the 12 month low (December 2008), the numbers represent an increase of 125% in value and 88% in volume.

The number of freight options transactions fell 8% to 66 from May but was still up 106 % from June 2008. The trade value, however, rose strongly 28 % month-on-month, to a twelve month high of USD 235 million.

Freight Open Interest

At the end of the reporting month, open interest for dry bulk was 25 682 and 29 711 for tanker futures lots (*long only positions*). Open interest for freight options hit a new high of 43 562 lots. The open interest is the total number of lots which remain to be liquidated by either close-out trades or delivery at NOS Clearing. NOS Clearing counts only long positions. Other clearing houses often count both long and short positions into the open interest.

¹ One lot is 1 000 metric tons for all tanker and bunker fuel oil contracts as well as C4 and C7 contracts. For P2A, P3A, HS6TC, SM6TC, PM4TC and CS4TC, one lot is one day of time charter.

² All other energy products have been converted to TWh using conversion factors in The Economist Desk Companion (1992) except for Jet Oil and Diesel where conversion factors have been taken from <http://www.eppo.go.th/ref/UNIT-OIL.html>

³ Excludes metals, weather, uranium, Nordic and Asian business lines.

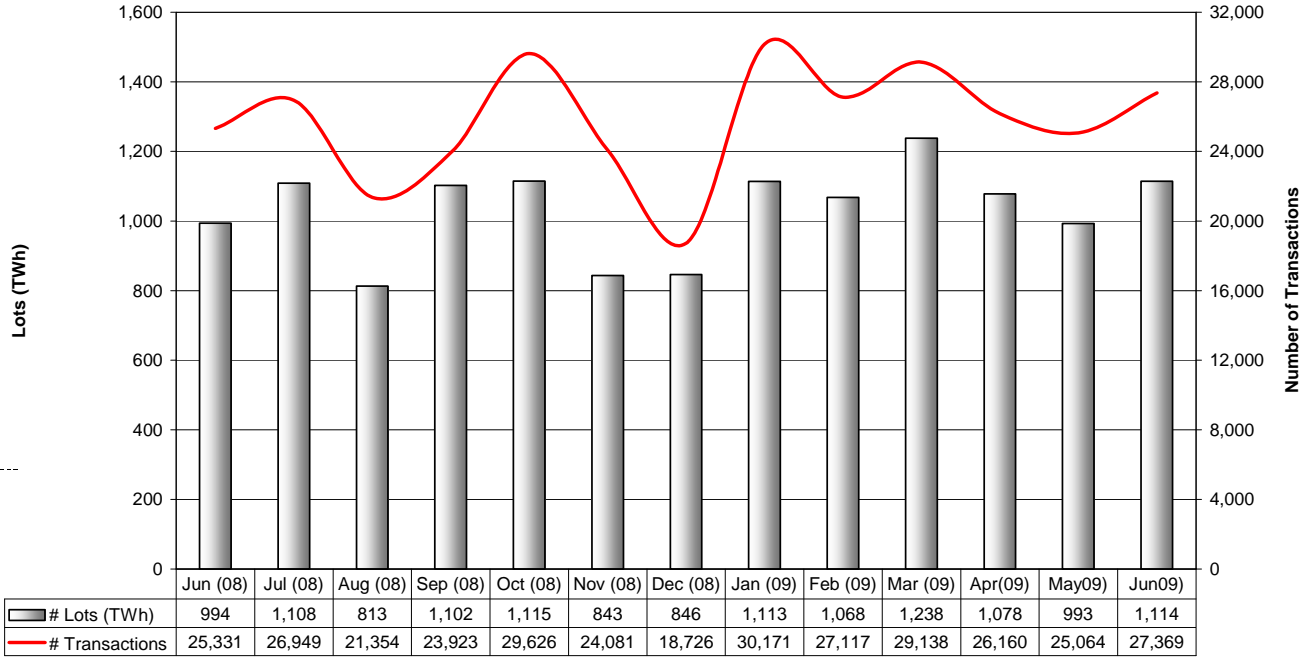
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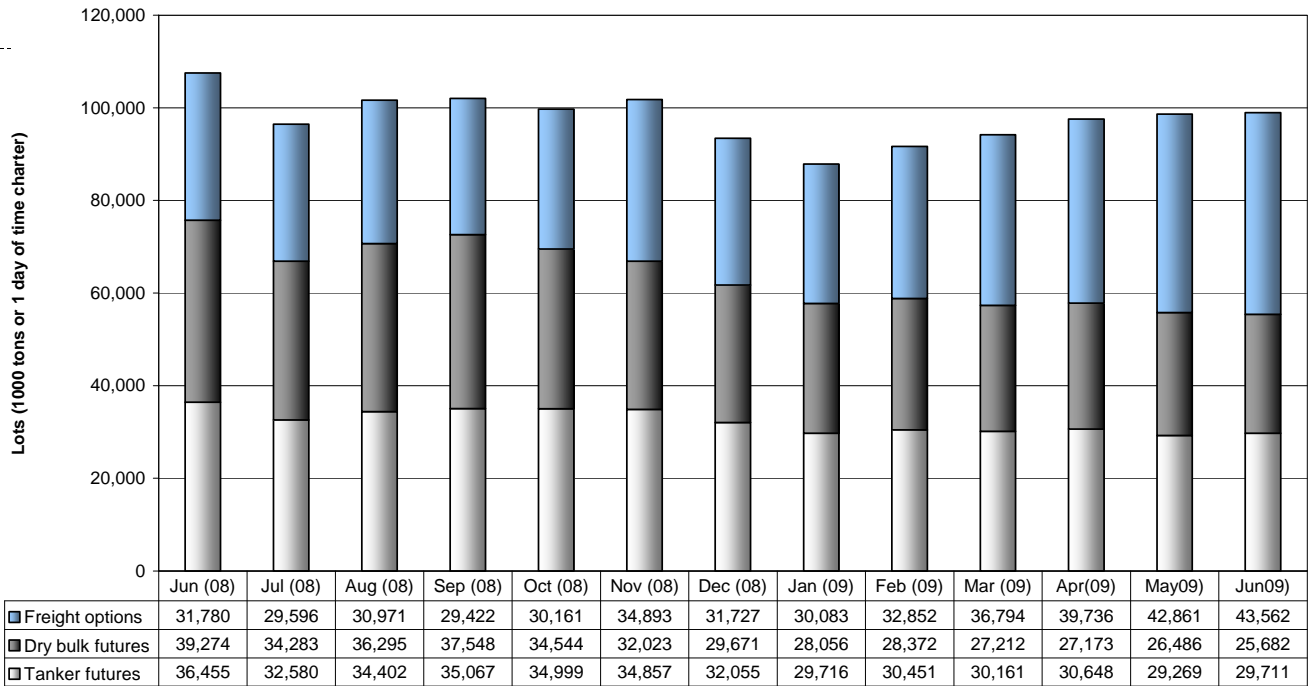
A downloadable Excel spreadsheet with trade statistics and financials will be made available under “Analytical Download” in the “Investor Relations” section of www.imarex.com.

Energy Transactions

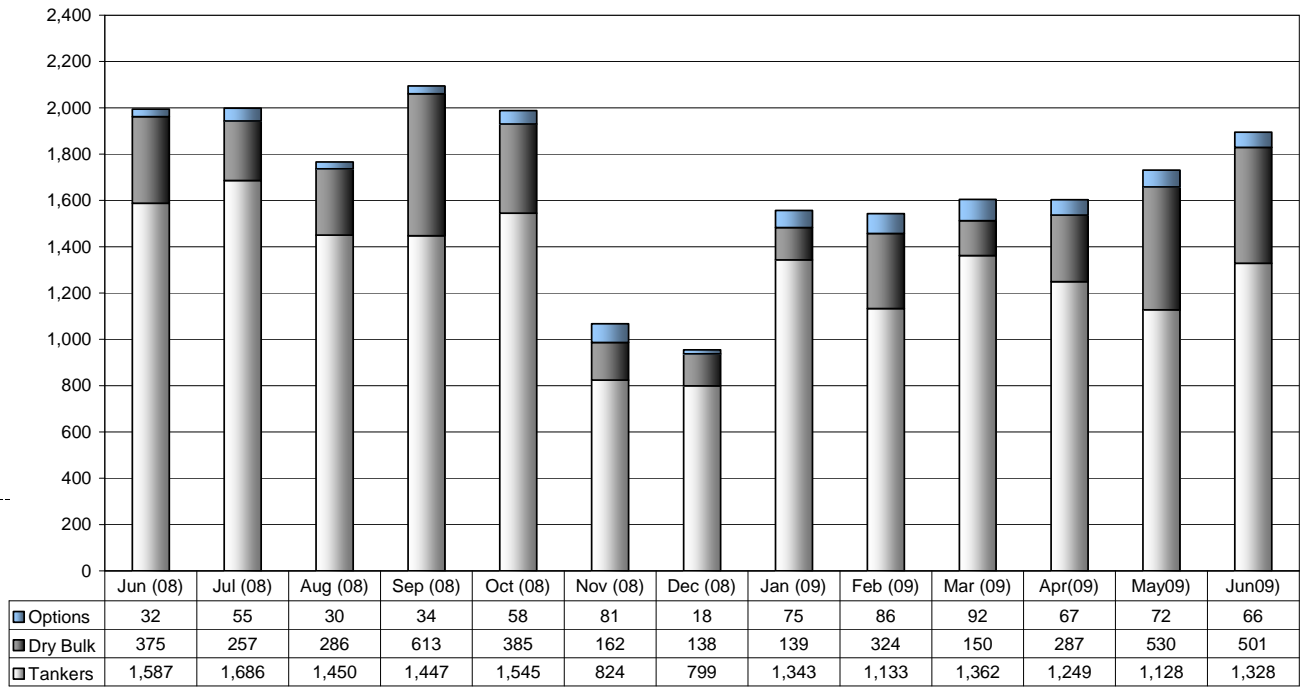
(Excludes Metals, Weather, Uranium and Asian business lines)



Freight Derivatives Open Interest

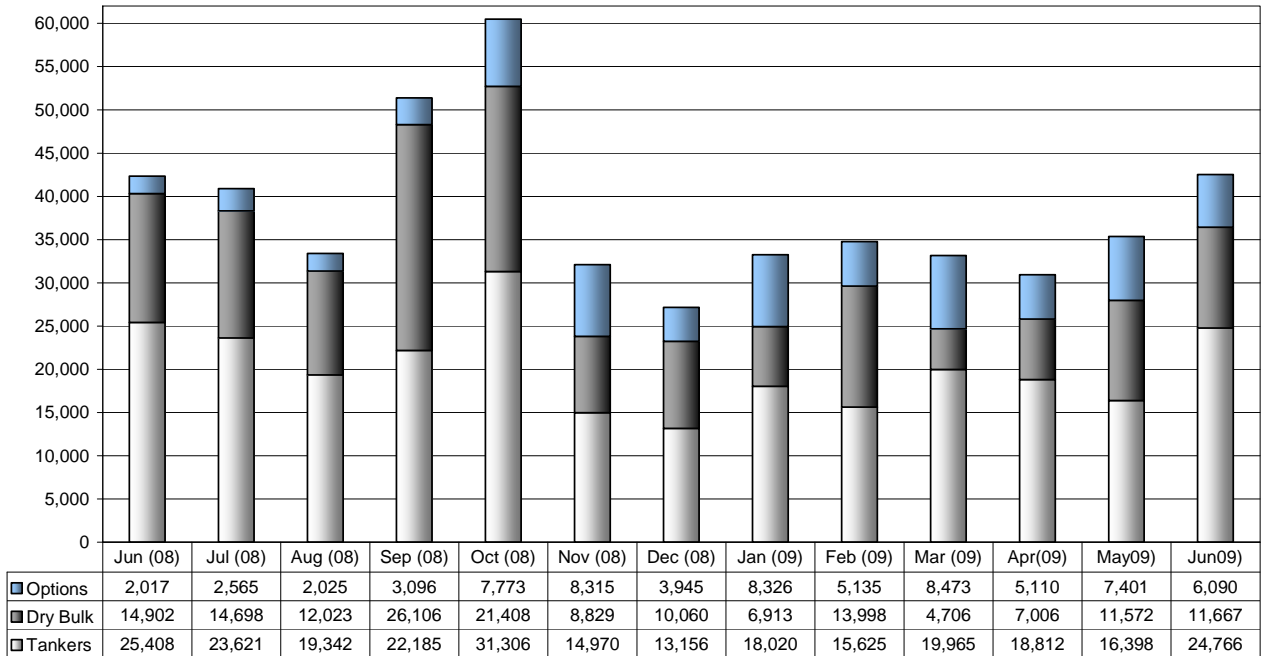


Freight Derivatives Transactions



Freight Derivatives Lots Traded

(1 lot = 1,000 metric tonnes or 1 day)



Freight Derivatives Trade Value

