



NEW CLEARING SERVICE FOR THE DRY FREIGHT MARKET

Building on the launch of wet freight futures contracts on NYMEX in 2005, CME Group is now expanding post-trade clearing services through CME ClearPort to include the dry cargo freight market as well. Traded off-Exchange and then cleared through the Exchange, 12 Time Charter Average Freight Forward Agreements (FFAs) are designed to meet the need of the industry for secure and efficient clearing of over-the-counter transactions.

We recognize that flexibility is key to the dry freight market. The time charter average contracts are listed in both full and quarter-day size to allow for more flexibility for trade splitting and shaping across months. Balance-of-month (BALMO) contracts are included in the listing to facilitate a tailor-made risk management solution. Additional contracts are under development, with the aim of offering a full range of products tailored to all freight market participants.

HOW CAN YOU BENEFIT?

- Nine-year history of proven reliability through CME ClearPort, backed by the strength of CME Clearing
- Competitive fee schedule
- Straight Through Processing (STP) directly into customer risk systems
- Margined efficiently in the portfolio of products cleared through CME ClearPort

KEY FEATURES OF CME CLEARING

The foundation of CME ClearPort is the strength of the CME Clearing and its market leading risk management.

Our clearinghouse benefits include:

- Instant confirmation that a trade is cleared – no delays while credit checks are carried out
- \$9 billion* fund to ensure the safety and soundness of customers' cleared positions
- 24-hour monitoring by an experienced risk-management team

* as of 12/31/09

WE DELIVER MORE. **ENERGY.**

 **CME Group**

Dry Freight Futures Contract Specifications

Contract	Product Symbol	Floating Price	Listed Contracts	Contract Unit	Rulebook Chapter
Capesize Time Charter Average (Baltic) Swap Futures	CFU	The Floating Price for each contract month is equal to the arithmetic average of the Capesize Time Charter Average published daily by the Baltic Exchange starting from the first business day of the month through to the Last Trading Day, inclusive.	Each calendar month for the current calendar year plus next four calendar years.	1 Day of vessel time charter.	944
Mini Capesize Time Charter Average (Baltic) Swap Futures	CSF	The Floating Price for each contract month is equal to the arithmetic average of the Capesize Time Charter Average published daily by the Baltic Exchange starting from the first business day of the month through to the Last Trading Day, inclusive.	Each calendar month for the current calendar year plus next four calendar years.	0.25 Days of vessel time charter.	937
Capesize Time Charter Average (Baltic) BALMO Swap Futures	MØ	The Floating Price for each contract month is equal to the balance-of-month arithmetic average of the Capesize Time Charter Average published daily by the Baltic Exchange starting from the selected start date through to the Last Trading Day, inclusive.	One month and the following month for 10 business days prior to the start of the contract month.	1 Day of vessel time charter.	938
Panamax Time Charter Average (Baltic) Swap Futures	PFU	The Floating Price for each contract month is equal to the arithmetic average of the Panamax Time Charter Average published daily by the Baltic Exchange starting from the first business day of the month through to the Last Trading Day, inclusive.	Each calendar month for the current calendar year plus next four calendar years.	1 Day of vessel time charter.	945
Mini Panamax Time Charter Average (Baltic) Swap Futures	FØ	The Floating Price for each contract month is equal to the arithmetic average of the Panamax Time Charter Average published daily by the Baltic Exchange starting from the first business day of the month through to the Last Trading Day, inclusive.	Each calendar month for the current calendar year plus next four calendar years.	0.25 Days of vessel time charter.	939
Panamax Time Charter Average (Baltic) BALMO Swap Futures	NØ	The Floating Price for each contract month is equal to the balance-of-month arithmetic average of the Panamax Time Charter Average published daily by the Baltic Exchange starting from the selected start date through to the Last Trading Day, inclusive.	One month and the following month for 10 business days prior to the start of the contract month.	1 Day of vessel time charter.	940
Supramax Time Charter Average (Baltic) Swap Futures	SFT	The Floating Price for each contract month is equal to the arithmetic average of the Supramax Time Charter Average published daily by the Baltic Exchange starting from the first business day of the month through to the Last Trading Day, inclusive.	Each calendar month for the current calendar year plus next four calendar years.	1 Day of vessel time charter.	946
Mini Supramax Time Charter Average (Baltic) Swap Futures	GØ	The Floating Price for each contract month is equal to the arithmetic average of the Supramax Time Charter Average published daily by the Baltic Exchange starting from the first business day of the month through to the Last Trading Day, inclusive.	Each calendar month for the current calendar year plus next four calendar years.	0.25 Days of vessel time charter.	941
Supramax Time Charter Average (Baltic) BALMO Swap Futures	PØ	The Floating Price for each contract month is equal to the balance-of-month arithmetic average of the Supramax Time Charter Average published daily by the Baltic Exchange starting from the selected start date through to the Last Trading Day, inclusive.	One month and the following month for 10 business days prior to the start of the contract month.	1 Day of vessel time charter.	942
Handysize Time Charter Average (Baltic) Swap Futures	HFT	The Floating Price for each contract month is equal to the arithmetic average of the Handysize Time Charter Average published daily by the Baltic Exchange starting from the first business day of the month through to the Last Trading Day, inclusive.	Each calendar month for the current calendar year plus next four calendar years.	1 Day of vessel time charter.	943
Mini Handysize Time Charter Average (Baltic) Swap Futures	HØ	The Floating Price for each contract month is equal to the arithmetic average of the Handysize Time Charter Average published daily by the Baltic Exchange starting from the first business day of the month through to the Last Trading Day, inclusive.	Each calendar month for the current calendar year plus next four calendar years.	0.25 Days of vessel time charter.	935
Handysize Time Charter Average (Baltic) BALMO Swap Futures	QØ	The Floating Price for each contract month is equal to the balance-of-month arithmetic average of the Handysize Time Charter Average published daily by the Baltic Exchange starting from the selected start date through to the Last Trading Day, inclusive.	One month and the following month for 10 business days prior to the start of the contract month.	1 Day of vessel time charter.	936

COMMON ATTRIBUTES AMONG DRY FREIGHT PRODUCTS

Venue: CME ClearPort, Open Outcry (New York)

Hours: All Times are New York Time/ET

CME ClearPort: Sunday – Friday 6:00 p.m. – 5:00 p.m. (5:00 p.m. – 4:00 p.m. Chicago Time/CT) with a 45-minute break each day beginning at 5:00 p.m. (4:00 p.m. CT)

Open Outcry: Monday – Friday 9:00 a.m. – 2:30 PM (8:00 a.m. – 1:30 p.m. CT)

Price Quotation: US Dollars per day

Minimum Fluctuation: US\$1 per day

Termination of Trading: Last UK business day in month, except December months where LTD is December 24 or preceding UK business day if 24th is not a business day

Settlement Type: Financial

Exchange Rule: These contracts are listed with, and subject to, the rules and regulations of NYMEX.

HOW TO REGISTER FOR CLEARING THROUGH CME CLEARPORT:

Getting started to clear through CME ClearPort is easy. When an account has been established with a NYMEX clearing member, you simply complete the online registration form. Once approved, you'll immediately be able to clear OTC energy trades.

1.

Establish an account with a NYMEX clearing member.

2.

Visit cmegroup.com/clearport and complete the online Exchange User License Agreement (EULA), whether you are a broker or a trader.

3.

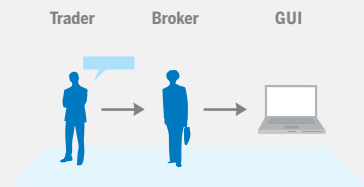
Once you have received your username and password, contact the clearing or risk staff person at your clearing member firm and request that your clearing account be added to RAV (Risk Account Value) Manager. You should inform your clearing firm as to which OTC brokers (if any) should be allowed to enter trades for clearing on your behalf. You will then be given permission for any markets you wish to clear.

HOW TO BEGIN ENTERING TRADES FOR CLEARING THROUGH CME CLEARPORT.

Customers have three options for reporting the trade for clearing through CME ClearPort.

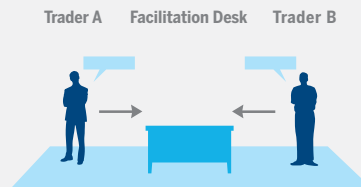
Broker Entry

Once a deal is reached, the broker enters the trade into the CME ClearPort web-based user interface (GUI) or CME ClearPort API.



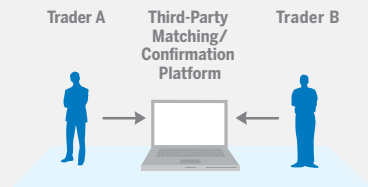
Facilitation Desk

Once a deal is reached, one of the traders calls the CME ClearPort facilitation desk. The facilitation desk contacts the other trader to confirm. When the desk has confirmation from both parties, it processes the trade.



Third-Party Matching

In this scenario, two traders are matched by a third-party matching/confirmation platform. The matching platform writes the trade directly into the CME ClearPort API.



To learn more about CME ClearPort visit cmegroup.com/clearport.

For more information on CME ClearPort freight products, please e-mail freight@cmegroup.com.



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Futures trading is not suitable for all investors, and involves the risk of loss. Futures are a leveraged investment, and because only a percentage of a contract's value is required to trade, it is possible to lose more than the amount of money deposited for a futures position. Therefore, traders should only use funds that they can afford to lose without affecting their lifestyles. And only a portion of those funds should be devoted to any one trade because they cannot expect to profit on every trade. All references to options refer to options on futures.

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