



C.F.T.C.  
OFFICE OF THE SECRETARIAT

2010 JUN 2 PM 3 12

June 1, 2010

**VIA E-MAIL**

Mr. David Stawick  
Office of the Secretariat  
Commodity Futures Trading Commission  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, D.C. 20581

**Re: Rule Certification. New York Mercantile Exchange, Inc. Submission #10-080: Notification Regarding the Listing of Twelve (12) Dry Freight Futures Contracts on CME ClearPort® and NYMEX Trading Floor**

Dear Mr. Stawick:

The New York Mercantile Exchange, Inc. ("NYMEX" or "Exchange") is notifying the Commodity Futures Trading Commission ("CFTC" or "Commission") that it is self-certifying the listing of twelve dry freight futures contracts for trading on the NYMEX trading floor and for submission for clearing through CME ClearPort on trade date Monday, June 7, 2010.

The twelve (12) futures contracts, rule chapters and commodity codes are listed below:

Contract	Rule Chapter	Code
Capesize Timecharter Average (Baltic) Swap Futures	944	CFU
Mini Capesize Timecharter Average (Baltic) Swap Futures	937	CSF
Capesize Timecharter Average (Baltic) BALMO Swap Futures	938	M0 (M zero)
Panamax Timecharter Average (Baltic) Swap Futures	945	PFU
Mini Panamax Timecharter Average (Baltic) Swap Futures	939	F0 (F zero)
Panamax Timecharter Average (Baltic) BALMO Swap Futures	940	N0 (N zero)
Supramax Timecharter Average (Baltic) Swap Futures	946	SFT
Mini Supramax Timecharter Average (Baltic) Swap Futures	941	G0 (G zero)
Supramax Timecharter Average (Baltic) BALMO Swap Futures	942	P0 (P zero)
Handysize Timecharter Average (Baltic) Swap Futures	943	HFT
Mini Handysize Timecharter Average (Baltic) Swap Futures	935	H0 (H zero)
Handysize Timecharter Average (Baltic) BALMO Swap Futures	936	Q0 (Q zero)

The first listed contract month for the eight swap futures contracts (full-sized and minis) is the June 2010 contract month. The swap futures contracts will be listed for the balance of the current year and the next four full consecutive years. The first listed contract month for the four balance-of-month (BALMO) contracts will be the June 2010 contract month. The BALMO contracts will be listed for one month and the following month, listed 10 business days prior to the start of the contract month.

Pursuant to Section 5c(c) of the Commodity Exchange Act ("Act") and CFTC Rules 40.02 and 40.6, the Exchange hereby certifies that the attached contracts comply with the Act, including regulations under the Act. The listing of these contracts will become effective on trade date June 7, 2010.

Should you have any questions concerning the above, please contact Richard Stevens at +44 20 7796 7129, or the undersigned at (312) 648-5422.

Sincerely,

/s/ Stephen M. Szarmack  
Regulatory Counsel

Attachments: Contract Terms and Conditions  
Supplemental Market Information

**Chapter 944**  
**Capesize Timecharter Average (Baltic) Swap Futures**

**944.01 SCOPE**

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

**944.02 FLOATING PRICE**

The Floating Price for each contract month is equal to the arithmetic average of the rates for the Capesize Time Charter Average published by the Baltic Exchange for each business day that it is published during the contract Settlement Period, as described in paragraph 944.02A of these Rules.

**944.02A SETTLEMENT PERIOD**

For contract months referenced to a calendar month January to November inclusive, the Settlement Period shall be the full calendar month. For contract months referenced to the December calendar month, the Settlement Period shall be the period from and including the 1st calendar day of the month through to and including the 24th calendar day of the month.

**944.03 CONTRACT QUANTITY AND VALUE**

The contract quantity shall be one (1) day. Each contract shall be valued as the contract quantity (1) multiplied by the settlement price.

**944.04 CONTRACT MONTHS**

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

**944.05 PRICES AND FLUCTUATIONS**

Prices shall be quoted in U.S. dollars and cents per day. The minimum price fluctuation in respect of orders, traded prices and daily settlement prices shall be \$1 per day. The minimum price fluctuation in respect of the Floating Price shall be \$0.01 per day. There shall be no maximum price fluctuation.

**944.06 TERMINATION OF TRADING**

Trading shall cease at 5:30 p.m. London time on the last business day of the Settlement Period.

**944.07 FINAL SETTLEMENT**

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

**944.08 EXCHANGE FOR RELATED POSITION**

Any exchange for related position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

**944.09 DISCLAIMER**

The Baltic Exchange licenses the New York Mercantile Exchange, Inc. ("NYMEX") to use various Baltic Exchange price assessments in connection with the trading or posting of the contracts.

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## Chapter 937

### Mini Capesize Timecharter Average (Baltic) Swap Futures

#### 937.01 SCOPE

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 937.02 FLOATING PRICE

The Floating Price for each contract month is equal to the arithmetic average of the rates for the Capesize Time Charter Average published by the Baltic Exchange for each business day that it is published during the contract Settlement Period, as described in paragraph 937.02A of these Rules.

#### 937.02A SETTLEMENT PERIOD

For contract months referenced to a calendar month January to November inclusive, the Settlement Period shall be the full calendar month. For contract months referenced to the December calendar month, the Settlement Period shall be the period from and including the 1st calendar day of the month through to and including the 24th calendar day of the month.

#### 937.03 CONTRACT QUANTITY AND VALUE

The contract quantity shall be one quarter (0.25) day. Each contract shall be valued as the contract quantity (0.25) multiplied by the settlement price.

#### 937.04 CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

#### 937.05 PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per day. The minimum price fluctuation in respect of orders, traded prices and daily settlement prices shall be \$1 per day (\$0.25 per contract). The minimum price fluctuation in respect of the Floating Price shall be \$0.01 per day (\$0.0025 per contract). There shall be no maximum price fluctuation.

#### 937.06 TERMINATION OF TRADING

Trading shall cease at 5:30 p.m. London time on the last business day of the Settlement Period.

#### 937.07 FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 937.08 EXCHANGE FOR RELATED POSITION

Any exchange for related position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

#### 937.09 DISCLAIMER

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## Chapter 938

### Capesize Timecharter Average (Baltic) BALMO Swap Futures

#### 938.01 SCOPE

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 938.02 FLOATING PRICE

The Floating Price for each contract month is equal to the balance-of-month arithmetic average of the rates for the Capesize Time Charter Average published by the Baltic Exchange for each business day that it is published during the contract Settlement Period, as described in paragraph 938.02A of these Rules.

#### 938.02A SETTLEMENT PERIOD

For contract months referenced to a calendar month January to November inclusive, the Settlement Period shall be the period in the calendar month from and including the selected start date through to and including the last day of the calendar month. For contract months referenced to the December calendar month, the Settlement Period shall be the period in the calendar month from and including the selected start date through to and including the 24th calendar day of the month.

#### 938.03 CONTRACT QUANTITY AND VALUE

The contract quantity shall be one (1) day. Each contract shall be valued as the contract quantity (1) multiplied by the settlement price.

#### 938.04 CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

#### 938.05 PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per day. The minimum price fluctuation in respect of orders, traded prices and daily settlement prices shall be \$1 per day. The minimum price fluctuation in respect of the Floating Price shall be \$0.01 per day. There shall be no maximum price fluctuation.

#### 938.06 TERMINATION OF TRADING

Trading shall cease at 5:30 p.m. London time on the last business day of the Settlement Period.

#### 938.07 FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 938.08 EXCHANGE FOR RELATED POSITION

Any exchange for related position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

#### 938.09 DISCLAIMER

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## Chapter 945

### Panamax Timecharter Average (Baltic) Swap Futures

**945.01 SCOPE**

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

**945.02 FLOATING PRICE**

The Floating Price for each contract month is equal to the arithmetic average of the rates for the Panamax Time Charter Average published by the Baltic Exchange for each business day that it is published during the contract Settlement Period, as described in paragraph 945.02A of these Rules.

**945.02A SETTLEMENT PERIOD**

For contract months referenced to a calendar month January to November inclusive, the Settlement Period shall be the full calendar month. For contract months referenced to the December calendar month, the Settlement Period shall be the period from and including the 1st calendar day of the month through to and including the 24th calendar day of the month.

**945.03 CONTRACT QUANTITY AND VALUE**

The contract quantity shall be one (1) day. Each contract shall be valued as the contract quantity (1) multiplied by the settlement price.

**945.04 CONTRACT MONTHS**

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

**945.05 PRICES AND FLUCTUATIONS**

Prices shall be quoted in U.S. dollars and cents per day. The minimum price fluctuation in respect of orders, traded prices and daily settlement prices shall be \$1 per day. The minimum price fluctuation in respect of the Floating Price shall be \$0.01 per day. There shall be no maximum price fluctuation.

**945.06 TERMINATION OF TRADING**

Trading shall cease at 5:30 p.m. London time on the last business day of the Settlement Period.

**945.07 FINAL SETTLEMENT**

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

**945.08 EXCHANGE FOR RELATED POSITION**

Any exchange for related position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

**945.09 DISCLAIMER**

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## Chapter 939

### Mini Panamax Timecharter Average (Baltic) Swap Futures

#### 939.01 SCOPE

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 939.02 FLOATING PRICE

The Floating Price for each contract month is equal to the arithmetic average of the rates for the Panamax Time Charter Average published by the Baltic Exchange for each business day that it is published during the contract Settlement Period, as described in paragraph 939.02A of these Rules.

#### 939.02A SETTLEMENT PERIOD

For contract months referenced to a calendar month January to November inclusive, the Settlement Period shall be the full calendar month. For contract months referenced to the December calendar month, the Settlement Period shall be the period from and including the 1st calendar day of the month through to and including the 24th calendar day of the month.

#### 939.03 CONTRACT QUANTITY AND VALUE

The contract quantity shall be one quarter (0.25) day. Each contract shall be valued as the contract quantity (0.25) multiplied by the settlement price.

#### 939.04 CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

#### 939.05 PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per day. The minimum price fluctuation in respect of orders, traded prices and daily settlement prices shall be \$1 per day (\$0.25 per contract). The minimum price fluctuation in respect of the Floating Price shall be \$0.01 per day (\$0.0025 per contract). There shall be no maximum price fluctuation.

#### 939.06 TERMINATION OF TRADING

Trading shall cease at 5:30 p.m. London time on the last business day of the Settlement Period.

#### 939.07 FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 939.08 EXCHANGE FOR RELATED POSITION

Any exchange for related position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

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## Chapter 940

### Panamax Timecharter Average (Baltic) BALMO Swap Futures

#### 940.01 SCOPE

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 940.02 FLOATING PRICE

The Floating Price for each contract month is equal to the balance-of-month arithmetic average of the rates for the Panamax Time Charter Average published by the Baltic Exchange for each business day that it is published during the contract Settlement Period, as described in paragraph 940.02A of these Rules.

#### 940.02A SETTLEMENT PERIOD

For contract months referenced to a calendar month January to November inclusive, the Settlement Period shall be the period in the calendar month from and including the selected start date through to and including the last day of the calendar month. For contract months referenced to the December calendar month, the Settlement Period shall be the period in the calendar month from and including the selected start date through to and including the 24th calendar day of the month.

#### 940.03 CONTRACT QUANTITY AND VALUE

The contract quantity shall be one (1) day. Each contract shall be valued as the contract quantity (1) multiplied by the settlement price.

#### 940.04 CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

#### 940.05 PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per day. The minimum price fluctuation in respect of orders, traded prices and daily settlement prices shall be \$1 per day. The minimum price fluctuation in respect of the Floating Price shall be \$0.01 per day. There shall be no maximum price fluctuation.

#### 940.06 TERMINATION OF TRADING

Trading shall cease at 5:30 p.m. London time on the last business day of the Settlement Period.

#### 940.07 FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 940.08 EXCHANGE FOR RELATED POSITION

Any exchange for related position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

#### 940.09 DISCLAIMER

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## Chapter 946

### Supramax Timecharter Average (Baltic) Swap Futures

**946.01 SCOPE**

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

**946.02 FLOATING PRICE**

The Floating Price for each contract month is equal to the arithmetic average of the rates for the Supramax Time Charter Average published by the Baltic Exchange for each business day that it is published during the contract Settlement Period, as described in paragraph 946.02A of these Rules.

**946.02A SETTLEMENT PERIOD**

For contract months referenced to a calendar month January to November inclusive, the Settlement Period shall be the full calendar month. For contract months referenced to the December calendar month, the Settlement Period shall be the period from and including the 1st calendar day of the month through to and including the 24th calendar day of the month.

**946.03 CONTRACT QUANTITY AND VALUE**

The contract quantity shall be one (1) day. Each contract shall be valued as the contract quantity (1) multiplied by the settlement price.

**946.04 CONTRACT MONTHS**

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

**946.05 PRICES AND FLUCTUATIONS**

Prices shall be quoted in U.S. dollars and cents per day. The minimum price fluctuation in respect of orders, traded prices and daily settlement prices shall be \$1 per day. The minimum price fluctuation in respect of the Floating Price shall be \$0.01 per day. There shall be no maximum price fluctuation.

**946.06 TERMINATION OF TRADING**

Trading shall cease at 5:30 p.m. London time on the last business day of the Settlement Period.

**946.07 FINAL SETTLEMENT**

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## Chapter 941

### Mini Supramax Timecharter Average (Baltic) Swap Futures

#### 941.01 SCOPE

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 941.02 FLOATING PRICE

The Floating Price for each contract month is equal to the arithmetic average of the rates for the Supramax Time Charter Average published by the Baltic Exchange for each business day that it is published during the contract Settlement Period, as described in paragraph 941.02A of these Rules.

#### 941.02A SETTLEMENT PERIOD

For contract months referenced to a calendar month January to November inclusive, the Settlement Period shall be the full calendar month. For contract months referenced to the December calendar month, the Settlement Period shall be the period from and including the 1st calendar day of the month through to and including the 24th calendar day of the month.

#### 941.03 CONTRACT QUANTITY AND VALUE

The contract quantity shall be one quarter (0.25) day. Each contract shall be valued as the contract quantity (0.25) multiplied by the settlement price.

#### 941.04 CONTRACT MONTHS

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#### 941.06 TERMINATION OF TRADING

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## Chapter 942

### Supramax Timecharter Average (Baltic) BALMO Swap Futures

#### 942.01 SCOPE

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 942.02 FLOATING PRICE

The Floating Price for each contract month is equal to the balance-of-month arithmetic average of the rates for the Supramax Time Charter Average published by the Baltic Exchange for each business day that it is published during the contract Settlement Period, as described in paragraph 942.02A of these Rules.

#### 942.02A SETTLEMENT PERIOD

For contract months referenced to a calendar month January to November inclusive, the Settlement Period shall be the period in the calendar month from and including the selected start date through to and including the last day of the calendar month. For contract months referenced to the December calendar month, the Settlement Period shall be the period in the calendar month from and including the selected start date through to and including the 24th calendar day of the month.

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#### 942.06 TERMINATION OF TRADING

Trading shall cease at 5:30 p.m. London time on the last business day of the Settlement Period.

#### 942.07 FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 942.08 EXCHANGE FOR RELATED POSITION

Any exchange for related position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

#### 942.09 DISCLAIMER

The Baltic Exchange licenses the New York Mercantile Exchange, Inc. ("NYMEX") to use various Baltic Exchange price assessments in connection with the trading or posting of the contracts.

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**Chapter 943**  
**Handysize Timecharter Average (Baltic) Swap Futures**

**943.01 SCOPE**

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

**943.02 FLOATING PRICE**

The Floating Price for each contract month is equal to the arithmetic average of the rates for the Handysize Time Charter Average published by the Baltic Exchange for each business day that it is published during the contract Settlement Period, as described in paragraph 943.02A of these Rules.

**943.02A SETTLEMENT PERIOD**

For contract months referenced to a calendar month January to November inclusive, the Settlement Period shall be the full calendar month. For contract months referenced to the December calendar month, the Settlement Period shall be the period from and including the 1st calendar day of the month through to and including the 24th calendar day of the month.

**943.03 CONTRACT QUANTITY AND VALUE**

The contract quantity shall be one (1) day. Each contract shall be valued as the contract quantity (1) multiplied by the settlement price.

**943.04 CONTRACT MONTHS**

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

**943.05 PRICES AND FLUCTUATIONS**

Prices shall be quoted in U.S. dollars and cents per day. The minimum price fluctuation in respect of orders, traded prices and daily settlement prices shall be \$1 per day. The minimum price fluctuation in respect of the Floating Price shall be \$0.01 per day. There shall be no maximum price fluctuation.

**943.06 TERMINATION OF TRADING**

Trading shall cease at 5:30 p.m. London time on the last business day of the Settlement Period.

**943.07 FINAL SETTLEMENT**

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

**943.08 EXCHANGE FOR RELATED POSITION**

Any exchange for related position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

**943.09 DISCLAIMER**

The Baltic Exchange licenses the New York Mercantile Exchange, Inc. ("NYMEX") to use various Baltic Exchange price assessments in connection with the trading or posting of the contracts.

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## Chapter 935

### Mini Handysize Timecharter Average (Baltic) Swap Futures

#### 935.01 SCOPE

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 935.02 FLOATING PRICE

The Floating Price for each contract month is equal to the arithmetic average of the rates for the Handysize Time Charter Average published by the Baltic Exchange for each business day that it is published during the contract Settlement Period, as described in paragraph 935.02A of these Rules.

#### 935.02A SETTLEMENT PERIOD

For contract months referenced to a calendar month January to November inclusive, the Settlement Period shall be the full calendar month. For contract months referenced to the December calendar month, the Settlement Period shall be the period from and including the 1st calendar day of the month through to and including the 24th calendar day of the month.

#### 935.03 CONTRACT QUANTITY AND VALUE

The contract quantity shall be one quarter (0.25) day. Each contract shall be valued as the contract quantity (0.25) multiplied by the settlement price.

#### 935.04 CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

#### 935.05 PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per day. The minimum price fluctuation in respect of orders, traded prices and daily settlement prices shall be \$1 per day (\$0.25 per contract). The minimum price fluctuation in respect of the Floating Price shall be \$0.01 per day (\$0.0025 per contract). There shall be no maximum price fluctuation.

#### 935.06 TERMINATION OF TRADING

Trading shall cease at 5:30 p.m. London time on the last business day of the Settlement Period.

#### 935.07 FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 935.08 EXCHANGE FOR RELATED POSITION

Any exchange for related position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

#### 935.09 DISCLAIMER

The Baltic Exchange licenses the New York Mercantile Exchange, Inc. ("NYMEX") to use various Baltic Exchange price assessments in connection with the trading or posting of the contracts.

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## Chapter 936

### Handysize Timecharter Average (Baltic) BALMO Swap Futures

#### 936.01 SCOPE

The provisions of these Rules shall apply to all contracts bought or sold on the Exchange for cash settlement based on the Floating Price.

#### 936.02 FLOATING PRICE

The Floating Price for each contract month is equal to the balance-of-month arithmetic average of the rates for the Handysize Time Charter Average published by the Baltic Exchange for each business day that it is published during the contract Settlement Period, as described in paragraph 936.02A of these Rules.

#### 936.02A SETTLEMENT PERIOD

For contract months referenced to a calendar month January to November inclusive, the Settlement Period shall be the period in the calendar month from and including the selected start date through to and including the last day of the calendar month. For contract months referenced to the December calendar month, the Settlement Period shall be the period in the calendar month from and including the selected start date through to and including the 24th calendar day of the month.

#### 936.03 CONTRACT QUANTITY AND VALUE

The contract quantity shall be one (1) day. Each contract shall be valued as the contract quantity (1) multiplied by the settlement price.

#### 936.04 CONTRACT MONTHS

Trading shall be conducted in contracts in such months as shall be determined by the Exchange.

#### 936.05 PRICES AND FLUCTUATIONS

Prices shall be quoted in U.S. dollars and cents per day. The minimum price fluctuation in respect of orders, traded prices and daily settlement prices shall be \$1 per day. The minimum price fluctuation in respect of the Floating Price shall be \$0.01 per day. There shall be no maximum price fluctuation.

#### 936.06 TERMINATION OF TRADING

Trading shall cease at 5:30 p.m. London time on the last business day of the Settlement Period.

#### 936.07 FINAL SETTLEMENT

Delivery under the contract shall be by cash settlement. Final settlement, following termination of trading for a contract month, will be based on the Floating Price. The final settlement price will be the Floating Price calculated for each contract month.

#### 936.08 EXCHANGE FOR RELATED POSITION

Any exchange for related position (EFRP) transaction shall be governed by the provisions of Exchange Rule 538.

#### 936.09 DISCLAIMER

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## Supplemental Information

The United Nations Conference on Trade and Development (“UNCTAD”) estimates total international seaborne trade to equal 8.168 billion tons for all cargoes in 2008. This represents an increase of 36.5% over the equivalent number for the year 2000. Of this figure, dry cargoes represent 5.419 billion tons, and of this, trade in the five most significant bulk commodities (iron ore, grain, coal, bauxite/alumina and phosphate) represents 2.097 billion tons. Trade in the five main bulk commodities has grown 62.8% since the year 2000.<sup>1</sup>

The chartering of seaborne freight is a privately negotiated activity between the ship owner and the charterer, with each transaction having unique features. However standards have been established for the marketplace by trade associations, most notably the Baltic Exchange based in London.

The size of a vessel is measured by its deadweight tonnage (‘dwt’), which is a measure of the weight in metric tonnes a vessel can safely carry, including cargo, fuel, water etc. Dry bulk carriers are loosely categorized into a range of vessel types. Capesize vessels are the largest vessels, in excess of 100,000 dwt, typically 150,000 dwt, but occasionally as large as 300,000 dwt. These vessels are too large to travel through the Panama or Suez canals and therefore travel around the Cape of Good Hope or Cape Horn to move between oceans. Panamax vessels are just large enough to transit through the Panama Canal. They have a size of 65,000 to 80,000 dwt. Supramax vessels are sized between 35,000 and 58,000 dwt. Handysize vessels are sized between 15,000 and 50,000 dwt.

There are two main types of vessel charter arrangement. Voyage charters involve the charterer hiring the vessel to carry a cargo between two specified ports. The freight payment for a voyage charter is assessed in terms of dollars per ton of cargo carried. Time charters involve the charterer hiring the vessel for a period of time, during which it can direct the movement of the vessel, although typically the vessel will follow a route between two ports. The freight payment for a time charter is assessed in terms of dollars per day of charter.

In order to develop the functioning of the freight market, the Baltic Exchange has developed standard definitions for freight routes which are frequently chartered across the various vessel sizes. The Baltic Exchange collates market price data from shipbrokers on these specified routes, and publishes market price assessments on a daily basis. In addition the Baltic Exchange calculates and publishes an average price for the dollar/day timecharter for each major vessel size. For the dry bulk freight market, the timecharter averages and descriptions of the routes which are used to construct them are as follows:

### **Baltic Exchange Capesize Index**

The BCI is a daily average calculated from the reports of an independent international board of Panellists. These Panellists are required to make a daily assessment on a basket of timecharter and voyage routes in the dry bulk shipping market representative of Capesize vessels.		
Route: C2	Tubarao/Rotterdam 160,000 long tons 10 per cent iron ore free in and out, 6 days Sundays holidays included, 6 hours turn time at loading port and 6 hours turn time at discharge port, 0.5% in lieu of weighing. Laydays 20 days forward from date of index, cancelling maximum 35 days forward from date of index. Vessel's age max. 18 years. Freight based on long tons. 3.75 per cent total commission.	Weighting: 10%
Route: C3	Tubarao/Qingdao, 160,000 mt 10 per cent iron ore free in and out, 18m salt water arrival draft, scale load/30,000 mt Sundays holidays included discharge. 6 hours turn time at loading port, 24 hours at discharge port. Laydays 20 days forward from date of index, cancelling maximum 35 days forward from date of index. Vessel's age max. 18 years. Freight based on metric tonnes. 3.75 per cent total commission.	Weighting: 15%

<sup>1</sup> See UNCTAD Review of Maritime Transport 2009, [http://www.unctad.org/en/docs/rmt2009ch1\\_en.pdf](http://www.unctad.org/en/docs/rmt2009ch1_en.pdf)

Route: C4	Richards Bay/Rotterdam, 150,000 mt 10 per cent coal free in and out and trimmed, scale load/25,000 mt Sundays holidays included discharge. 18 hours turn time at loading port and 12 hours at discharge port. Laydays 25 days forward from date of index, cancelling 40 days forward from date of index. Vessel's age max. 15 years. Freight based on metric tonnes. 3.75 per cent total commission.	Weighting: 5%
Route: C5	W Australia/Qingdao, 160,000 mt 10 per cent iron ore free in and out, 18m salt water arrival draft, scale load/30,000 Sundays holidays included discharge, 6 hours turn time at loading port and 24 hours at discharge port. Laydays 20 days forward from date of index, cancelling max. 35 days forward from date of index. Vessel's age max. 18 years. Freight based on metric tonnes. 3.75 per cent total commission.	Weighting: 15%
Route: C7	Bolivar/Rotterdam 150,000 mt 10 pct coal free in and out trimmed, 50,000 mt Sundays holidays included loading/25,000 mt Sundays holidays included discharge, 12 hours turn time at loading port and 12 hours turn time at discharge port. Laydays 20 days forward from date of index, cancelling maximum 35 days forward from date of index. Vessel's age maximum 15 years. 3.75 per cent total commission.	Weighting: 5%
Route: C8_03	Delivery Gibraltar-Hamburg range, 5-15 days ahead of the index date, trans Atlantic round voyage duration 30-45 days, redelivery Gibraltar-Hamburg range. 3.75 per cent total commission. Based on a Baltic capesize of the following specifications: 172,000 mt dwt, not over 10 years of age, 190,000 cbm grain, max loa 289m, max beam 45 mtrs, draft 17.75 mtrs, 14.5 knots laden, 15.0 knots ballast on 56 mts fuel oil, no diesel at sea.	Weighting: 10%
Route: C9_03	Delivery Amsterdam-Rotterdam-Antwerp range or passing Passero, 5-15 days ahead of the index date, redelivery China-Japan range, duration about 65 days. 3.75 per cent total commission. Based on a Baltic capesize of the following specifications: 172,000 mt dwt, not over 10 years of age, 190,000 cbm grain, max loa 289m, max beam 45 mtrs, draft 17.75 mtrs, 14.5 knots laden, 15.0 knots ballast on 56 mts fuel oil, no diesel at sea.	Weighting: 5%
Route: C10_03	Delivery China-Japan range, 5-15 days ahead of the index date, round voyage duration 30-40 days, redelivery China-Japan range. 3.75 per cent total commission. Based on a Baltic capesize of the following specifications: 172,000 mt dwt, not over 10 years of age, 190,000 cbm grain, max loa 289m, max beam 45 mtrs, draft 17.75 mtrs, 14.5 knots laden, 15.0 knots ballast on 56 mts fuel oil, no diesel at sea.	Weighting: 20%
Route: C11_03	Delivery China-Japan range, 5-15 days ahead of the index date, redelivery Amsterdam-Rotterdam-Antwerp range or passing Passero, duration about 65 days. 3.75 per cent total commission. Based on a Baltic capesize of the following specifications: 172,000 mt dwt, not over 10 years of age, 190,000 cbm grain, max loa 289m, max beam 45 mtrs, draft 17.75 mtrs, 14.5 knots laden, 15.0 knots ballast on 56 mts fuel oil, no diesel at sea.	Weighting: 5%
Route: C12	Gladstone/Rotterdam 150000 mt 10 per cent coal free in and out and trimmed, 17m load draft, 45000 Sundays holidays included load/25000 Sundays holidays included discharge. 12 hour turn time bends. Laydays 25 days forward from date of index, cancelling max 40 days forward from date of index. Vessel's age max 15 years. Freight based on metric tonnes. 3.75 per cent total commission.	Weighting: 10%

Source: Baltic Exchange

### Baltic Exchange Panamax Index

The BPI is a daily average calculated from the reports of an independent international board of panellists. These panellists are required to make a daily assessment on a basket of timecharter and voyage routes in the dry bulk shipping market representative of panamax vessels.		
Route: P1A_03	Basis a Baltic panamax 74,000 mt dwt not over 12 years, 89,000 cbm grain, max LOA 225m, draft 13.95m, 14.0 knots on 32mts fuel oil laden, 28mts fuel oil ballast and no diesel at sea. For a trans Atlantic (including ECSA) round of 45/60 days on the basis of delivery and redelivery Skaw-Gibraltar range. Loading 15-20 days ahead in the loading area. Cargo basis grain, ore, coal, or similar. 3.75 per cent total commission. Nominal Weighting =25%	Weighting: 25%

Route: P2A_03	Basis a Baltic panamax 74,000 mt dwt not over 12 years of age, 89,000 cbm grain, max loa 225m, draft 13.95m, 14.0 knots on 32mts fuel oil laden, 28mts fuel oil ballast and no diesel at sea, basis delivery Skaw-Gibraltar range, for a trip to the Far East, redelivery Taiwan-Japan range, duration 60/65 days. Loading 15-20 days ahead in the loading area. Cargo basis grain, ore, coal, or similar. 3.75 per cent total commission. Nominal Weighting =25%	Weighting: 25%
Route: P3A_03	Basis a Baltic panamax 74,000 mt dwt not over 12 years of age, 89,000 cbm grain, max loa 225m, draft 13.95m, 14.0 knots on 32mts fuel oil laden, 28 mts fuel oil ballast and no diesel at sea, for a trans Pacific round of 35/50 days either via Australia or Pacific (but not including short rounds such as Vostochny/Japan), delivery and redelivery Japan/South Korea range. Loading 15-20 days ahead in the loading area. Cargo basis grain, ore, coal or similar. 3.75 per cent total commission. Nominal Weighting =25%	Weighting: 25%
Route: P4_03	Basis a Baltic panamax 74,000 mt dwt not over 12 years of age, 89,000 cbm grain, max loa 225m, draft 13.95m, 14.0 knots on 32mts fuel oil laden, 28 mts fuel oil ballast and no diesel at sea, delivery Japan-South Korea range for a trip via US West Coast-British Columbia range or Australia, redelivery Skaw-Passero range, duration 50/60 days. Loading 15/20 days ahead in the loading area. Cargo basis grain, petroleum coke, coal or similar. 3.75 per cent total commission. Nominal Weighting =25%	Weighting: 25%

Source: Baltic Exchange

#### Baltic Exchange Supramax Index

The Baltic Supramax Index will be based on the following description:		
Standard "Tess 52" type vessel with grabs as follows:		
<ul style="list-style-type: none"> <li>• 52,454 mt dwt self trimming single deck bulkcarrier on 12.02 m ssw</li> <li>• 189.99 m LOA 32.26 m Beam 5ho/ha 67,756 cum.grain 65,600 cum.bale</li> <li>• 14L /14.5B on 30mt (380 cst) no mdo at sea</li> <li>• Cr 4 x 30 mt with 12 cum grabs</li> <li>• Maximum age - 10 years</li> </ul>		
Route: S1B	Delivery passing Canakkale for a trip of 50/55 days redelivery Singapore/Japan range including China, 5 per cent total commission. Laycan 5/10 days in advance. Weighting 12.5 per cent. Standard	Weighting: 12.5%
Route: S2	Delivery South Korea/Japan range for 1 Australian or trans Pacific round voyage, for a 35/40 day trip, redelivery South Korea/Japan range, 5 per cent total commission. Laycan 5/10 days in advance. Weighting 25 per cent. Standard	Weighting: 25%
Route: S3	Delivery South Korea/Japan range for a trip of 60/65 days redelivery Gibraltar/Skaw range, 5 per cent total commission. Laycan 5/10 days in advance. Weighting 25 per cent. Standard	Weighting: 25%
Route: S4A	Delivery US Gulf for a trip about 30 days, redelivery Skaw – Passero range, 5 per cent total commission. Laycan 5/10 days in advance, 12.5% weighting.	Weighting: 12.5%
Route: S4B	Delivery Skaw – Passero range for a trip about 30 days, redelivery US Gulf, 5 per cent total commission. Laycan 5/10 days in advance, 12.5% weighting.	Weighting: 12.5%

Source: Baltic Exchange

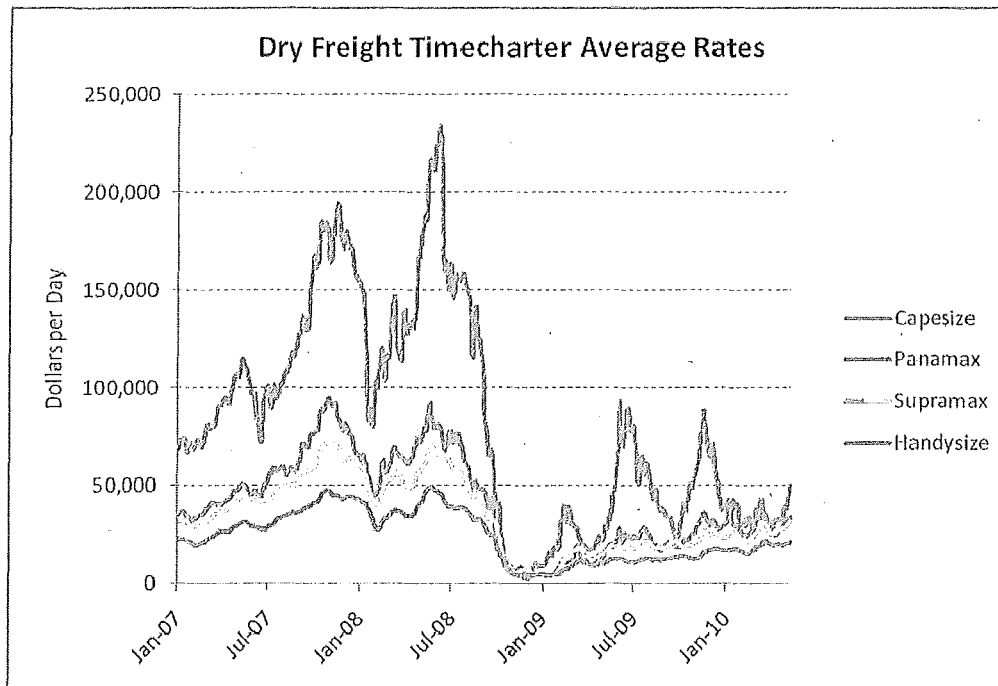


## Baltic Exchange Handysize Index

The Baltic Exchange Handysize Vessel Description		
28,000 mt dwt self trimming single deck bulkcarrier on 9.78m ssw 169m loa 27 m beam. 5 holds/5 hatches. 37,523 c.um grain 35,762 c.um bale 14 knots average laden/ballast on 22 mt ifo (380) no diesel at sea. 4 x 30 t cranes Maximum age 15 years		
Route: HS1	Dely Skaw – Passero for a trip about 35/45 days, redelivery Recalada – Rio de Janeiro range, 5 per cent total commission. Laycan 5/10 days in advance. Weighting 12.5%	Weighting: 12.5%
Route: HS2	Dely Skaw - Passero range for a trip about 35/45 days, redelivery Boston – Galveston range, 5 per cent total commission. Laycan 5/10 days in advance. Weighting 12.5%.	Weighting: 12.5%
Route: HS3	Dely Recalada – Rio de Janeiro for a trip about 35/45 days, redelivery Skaw – Passero range, 5 per cent total commission. Laycan 5/10 days in advance. Weighting 12.5%.	Weighting: 12.5%
Route: HS4	Dely US Gulf for a trip about 35/45 days, via US Gulf or NC South America, redelivery Skaw – Passero range, 5 per cent total commission. Laycan 5/10 days in advance. Weighting 12.5%	Weighting: 12.5%
Route: HS5	Dely SE Asia for a trip via Australia, about 25/30 days, redelivery Singapore – Japan range including China, 5 per cent total commission. Laycan 5/10 days in advance Weighting 25%.	Weighting: 25%
Route: HS6	Dely S Korea – Japan range for a trip via Nopac of about 40/45 days, redelivery Singapore-Japan range including China, 5 per cent total commission. Laycan 5/10 days in advance. Weighting 25%	Weighting: 25%

Source: Baltic Exchange

The following chart shows how the price of the timecharter averages has developed over time.



Source: Baltic Exchange

Derivatives contracts have traded on the time charter averages since the 1990s. The traded derivatives in the over the counter market are structured as cash settled calendar swaps, where the final settlement price is the average price published by the Baltic Exchange during the calendar month. Swaps are also traded against specific routes, either on a time charter or voyage charter basis. The Baltic Exchange has been collating volume data for traded contracts since Q3 2007, and quarterly volumes are as follows:

	<b>Capesize</b>	<b>Panamax</b>	<b>Supramax</b>	<b>Handysize</b>
Q3 2007	145,710	271,597	80,203	
Q4 2007	169,705	350,957	90,977	
Q1 2008	159,730	322,405	67,882	
Q2 2008	222,912	356,770	63,813	
Q3 2008	222,656	321,760	51,281	6,886
Q4 2008	152,229	153,978	29,749	4,236
Q1 2009	130,443	132,259	25,670	4,256
Q2 2009	129,236	120,581	24,941	2,415
Q3 2009	121,589	103,565	30,479	2,920
Q4 2009	159,057	132,246	32,120	6,682
Q1 2010	134,778	119,423	40,013	4,235

Source: Baltic Exchange

The notional value of derivatives contracts traded, in \$millions is as follows:

	<b>Capesize</b>	<b>Panamax</b>	<b>Supramax</b>	<b>Handysize</b>
Q3 2007	17,300	17,218	3,153	
Q4 2007	30,038	29,628	3,584	
Q1 2008	18,025	18,492	2,681	
Q2 2008	41,213	27,573	2,526	
Q3 2008	22,603	15,828	2,035	204
Q4 2008	2,079	1,457	1,183	25
Q1 2009	3,407	1,348	1,023	32
Q2 2009	7,505	2,408	996	27
Q3 2009	5,471	2,243	1,220	35
Q4 2009	9,127	3,807	1,289	90
Q1 2010	4,674	3,604	1,031	76

Source: Baltic Exchange

New York Mercantile Exchange, Inc. has a license agreement in place with the Baltic Exchange permitting it to use Baltic Exchange pricing data to settle derivatives contracts.