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Launch of Additional Panamax Freight Futures for the EEX Freight Product Suite

Summary

From **9 May 2022** onwards, ECC will offer clearing services for additional Panamax Freight Route Futures listed on EEX.

This Clearing Circular contains information regarding the product setup, clearing and settlement processes as well as the preconditions for participation.

Contact

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Product Setup

The Panamax Freight Futures are set up as follows within the ECC clearing system:

Product	Name	SMSS Product Group
P8AM	EEX Panamax P1A_82 Freight Futures	EEX_FT_FREIGHT_PM_USD
PE8M	EEX Panamax P1E_82 Freight Futures	
PB8M	EEX Panamax P2A_82 Freight Futures	
PF8M	EEX Panamax P2E_82 Freight Futures	
PC8M	EEX Panamax P3A_82 Freight Futures	
PG8M	EEX Panamax P3E_82 Freight Futures	
PREM	EEX Panamax P6_82 Freight Futures	

Detailed information on the product setup is provided in the EEX Contract Specification for Trade Registration and in the ECC Contract Detail File.

Clearing Process

Registration of transactions for clearing

The transactions will be imported into the EUREX clearing system and integrated into the standard clearing processes for derivative contracts. Transactions are included in the EUREX data streams and in the EUREX reports. In addition, transactions can be retrieved via the ECC Member Area after 9:30 am CE(S)T on the next ECC business day.

The transactions are processed in the ECC settlement system SMSS for invoicing purposes using the product groups mentioned above.

Financial settlement

The futures are settled financially in USD. For open positions and new transactions, a variation margin is calculated on every ECC business day and settled on every USD cash settlement day. The settlement prices required for this are determined by EEX Asia (as for all EEX freight products) in USD and are published in the EUREX system at approximately 7:00 pm CE(S)T.

Margining

For open positions, an initial margin will be calculated on each ECC business day according to ECC's standard methodology. Margin parameters are updated and published in the SPAN¹ parameter file on the ECC website.

¹ SPAN® is a registered trademark of Chicago Mercantile Exchange Inc., used herein under license. Chicago Mercantile Exchange Inc. assumes no liability in connection with the use of SPAN by any person or entity.

The initial margin requirements will be reported in the SPAN margin class in the Report CC750 Daily Margin.

Fees and Invoicing

The following standard clearing fee for dry bulk trip time charter freight applies according to the ECC price list.

Transactions in Derivatives trades	Clearing Fee
in Dry Bulk Trip Time Charter Freight	\$ 1.40 per d

EMIR Reporting

Please note that EEX future contracts must be reported according to EMIR Article 9. Therefore, ECC's EMIR Data Services will automatically be extended to these products.

Preconditions for Participation

Clearing Members

The ECC clearing licence for Clearing Members already covers clearing of Freight Futures if they fulfill the pre-condition to settle products in USD.

Non-Clearing Members

Trading Participants who are already approved for participation in EEX Freight Futures will automatically be approved for trading the new contracts. Please contact the Member Readiness Team (memberreadiness@ecc.de or phone +49 341 24680-261) in case an opt-out from this automatic assignment is needed.

Trading Participants who are approved by ECC, but are not yet admitted at EEX, must complete the full admission process for the respective exchange.

New Participants who are not yet approved by ECC must complete the admission process as a Non-Clearing Member, which includes the ECC KYC process.

Clearing Members are requested to check the product assignments and quantity limits for their NCMs accordingly. If the Clearing Member is not ready we expect an opt-out from this automatic assignment as well.

Indirect Clients

EEX Freight futures are available for trading and clearing without the need for direct membership. Please contact an ECC Clearing or Non-Clearing Member to discuss indirect access.