

Panamax TC Product Configuration Update

Summary

Following a regular configuration review of contracts considered in the SPAN^{®1} Initial Margin, ECC plans to assign contracts referring to the Panamax Dry Bulk Time Charter Freight Indices (PTCM) to the Combined Commodity P5TC.

The change in the Span file will be effective from 11 August 2022 for future margins calls.

All other configurations will remain the same.

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Background Information

Currently, ECC clears Futures for two Panamax Dry Bulk Time Charter Freight Indices: PTCM and P5TC. The latter was introduced to better reflect the underlying market, in terms of both vessel type and trade routes and in time will replace the PTCM contract.

The prices of PTCM and P5TC contracts with the same expiry differ by a fixed amount. Therefore, the absolute price change risk covered via ECC's SPAN[®] Initial Margin of both products is considered to be the same. Setting the same combined commodity for both products ensures adequate margining for contracts referring to the indices.

Implications for clients

From 11 August 2022, both PTCM and P5TC will be assigned to the combined commodity P5TC. Subsequently, the scanning ranges for P5TC will also apply to PTCM and the margin credit with the same expiry will be 100%.

In the SPAN file, both products will be assigned to the combined commodity P5TC.

For assistance, please contact clearing@ecc.de. Clearing Members are reminded to check whether the change in the SPAN file has an impact on their processes.