

The Baltic Exchange

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CEO



The Heart of the Global Maritime Market

We are relevant to our members and the industry



Maritime London



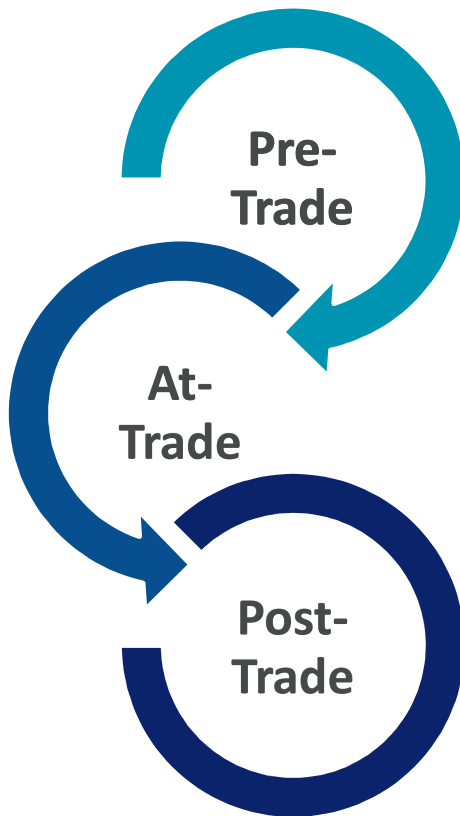
Maritime Singapore



Our word **our bond**

Baltic Daily Freight Market Information

Price formation and discovery mitigates price risk and facilitates liquidity



What is price risk in shipping?

- Shipping contracts are **private** transactions between two parties
- Transactions are often high value but may be **infrequent**
- No obligatory reporting requirement means pricing data is **opaque**

Baltic plays a role in mitigating price risk

- Promoting a **fair** shipping market
- Providing **independent** rates for shipping routes
- Used in **settlement** of physical & derivatives freight contracts

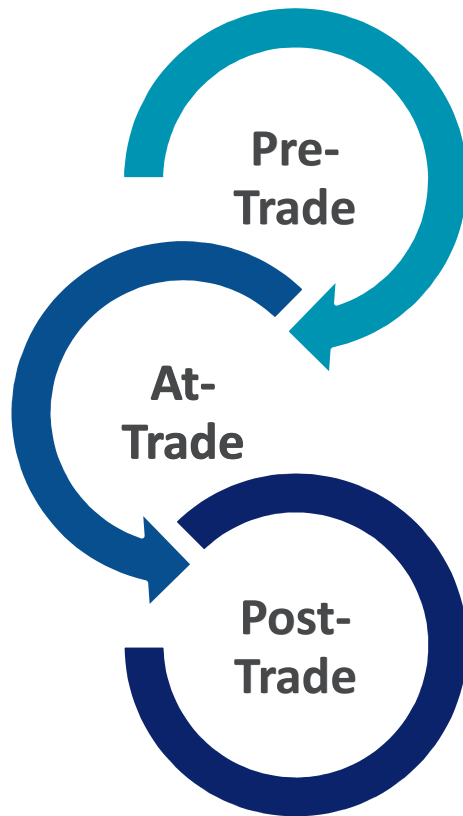
Priorities and opportunities that lie ahead

- **Tighten data feedback** mechanism & acknowledge role of panelists
- **Keep updating** current assessments as vessels & trade flows evolve
- **Develop new data** segments in Containers, LNG and Asia



The Baltic Code and Member Services

Effective rules promote orderly conduct and creates trustworthy marketplaces



What is conduct risk in shipping?

- Shipping is a very old trade
- Contracts, verbal or written, are **sacrosanct**
- **Ethical** business conduct is an essential commitment to each other

Baltic plays a role in mitigating conduct risk

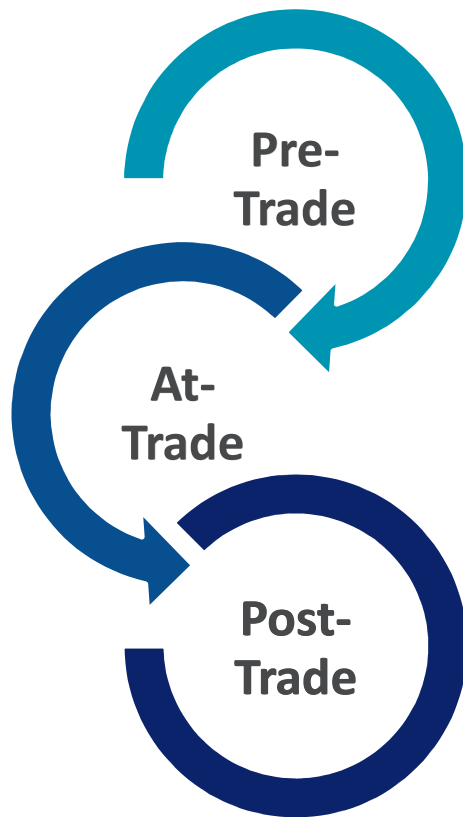
- Promotes **orderly** market conduct
- Through the Baltic Code, dispute resolution and disciplinary mechanism
- Support members facing problems **recovering monies** owed to them

Priorities and opportunities that lie ahead

- **Update** Code to reflect changing regulatory climate
- **Increase attractiveness** of doing business with Baltic members
- Investigate possibilities of **providing escrow facility**

Digital Maritime Market Infrastructure

Post-trade is the period of activity between “Our Word” and “Our Bond”



What is contract risk in shipping?

- Between the time a fixture is **agreed** and the time it is **completed**
- About contract practices, obligations and fulfillment
- Operational failure at any time is a risk to the parties

Baltic can play a role in mitigating contract risk

- Promote **safe** and **efficient** contracting practices
- Develop industry **tools**, messaging **workflows** and data **standards**
- Support **digitisation** of post-trade cargo / freight contract management

The value of a market-wide post-trade utility platform

- An **independent, neutral** shared utility with data **IP protection**
- Digitisation reduce data duplication / error and improves auditability
- Shared infrastructure **lowers average processing costs**



Enhancing our Asian Voice

New Asian advisory committee to advise on shipping matters in Asia



What:

Advise the Baltic on enhancing the provision of our services to a wider range of members in Asia

Who:



Thank You

