

NOS increases the Inter Commodity Spread Credit given

NOS (the Norwegian Futures and Options Clearinghouse) has carried out a review of Inter Commodity Spread Credit parameters for the dry bulk derivatives. As a result of the review, NOS will give more Inter Commodity Spread Credits for the following three dry bulk time charter routes:

- PM4TC and CS4TC
- SM6TC and CS4TC

As an example, the initial margin for a spread position in the PM4TC/CS4TC Calendar 09 contract will be reduced by approximately 20%. In general, the number of credit steps given is increased by one, meaning a reduction equal to 1/3 of the position with the lowest margin. The revised Inter Commodity Spread Credit matrix is shown in appendix 1.

The changes will come into effect from end of business **Friday 8th February 2008** for margins to be posted by **15.00 CET Monday 11th February**.

Any questions can be directed to NOS Clearing ASA:

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Appendix 1: Inter Commodity Spread Credit

		CS4TC		
Delivery Intervals		0 - 29	29 - 337	337 - 1500
PM4TC	0 - 29	3 Steps		
	29 - 337		5 Steps	
	337 - 1500			5 Steps
SM6TC	0 - 29	2 Step		
	29 - 337		4 Steps	
	337 - 1500			4 Steps

Steps Credit	Colour Code	Explanation
0 step credit		No Credit is given
1 step credit		The margin on the position with the lowest margin requirement is reduced by 1/3 of the margin.
2 steps credit		The margin on the position with the lowest margin requirement is reduced by 2/3 of the margin.
3 steps credit		The margin on the position with the lowest margin requirement is reduced by 3/3 of the margin. That is, zero margin on the position with the lowest requirement.
4 steps credit		The margin on the position with the highest margin requirement is reduced by 1/3 of the margin on the position with the lowest margin requirement, which has zero margin.
5 steps credit		The margin on the position with the highest margin requirement is reduced by 2/3 of the margin on the position with the lowest margin requirement, which has zero margin.
6 steps credit		The margin on the position with the highest margin requirement is reduced by 3/3 of the margin on the position with the lowest margin requirement, which has zero margin.