

## Margin review freight and bunker products

As part of our monthly margin parameter review, NOS has made adjustments to the tanker margin curves and the bunker margin curves. In addition, inter commodity spread credit is introduced between additional tanker products.

### **Adjusted margin curves**

Margin curves have been adjusted to reflect the recent, observed volatility for each product. The margin changes are mainly up. The new margin curves are displayed in Appendix 1.

#### **Tanker**

The following tanker products are affected by the margin adjustments:

- TD3
- TD7
- TD8
- TD9
- TD11
- TC5
- TC6

#### **Bunkers**

The following bunker products are affected by the margin adjustments:

- All bunker products

### **Inter commodity spread credit**

NOS has introduced ICSC between the following products:

- TD3 vs. TD8
- TD7 vs. TD11

As an example, the initial margin for a spread position in the TD7/TD11 Q308 contract will be reduced by approximately 40%. The ICSC matrix is displayed in Appendix 2.

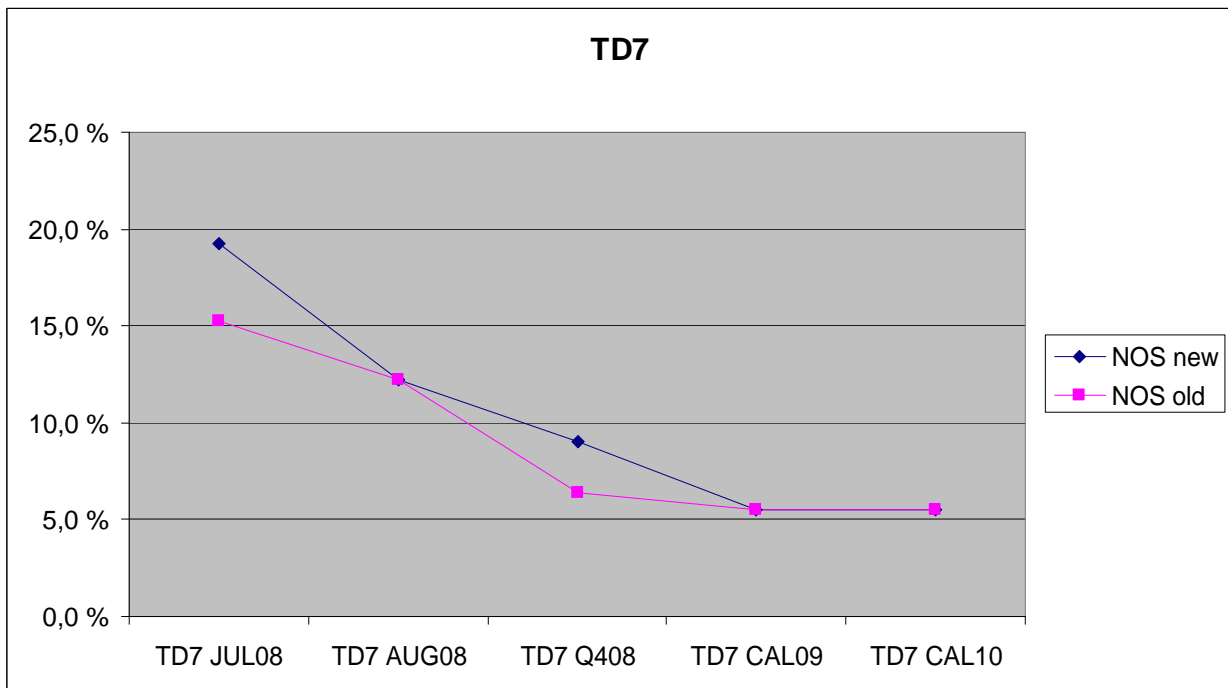
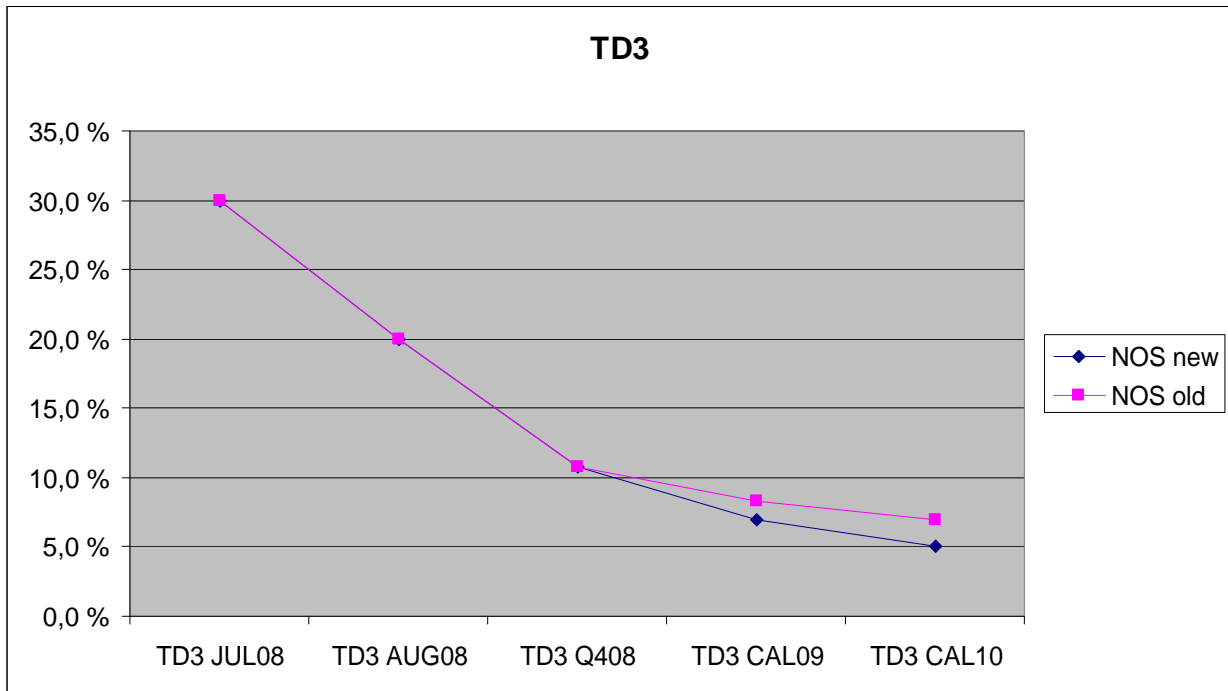
The changes will come into effect from end of business **Monday 9<sup>th</sup> June 2008** for margins to be posted by **15.00 CET Tuesday 10<sup>h</sup> June**.

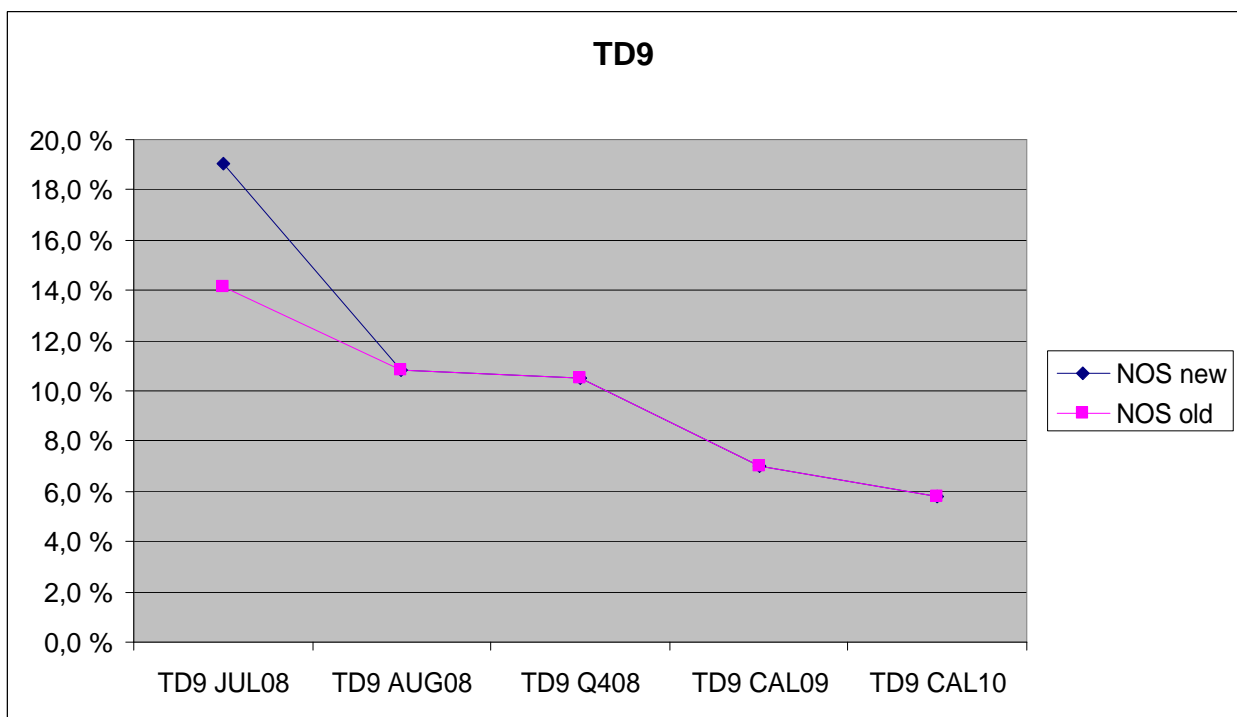
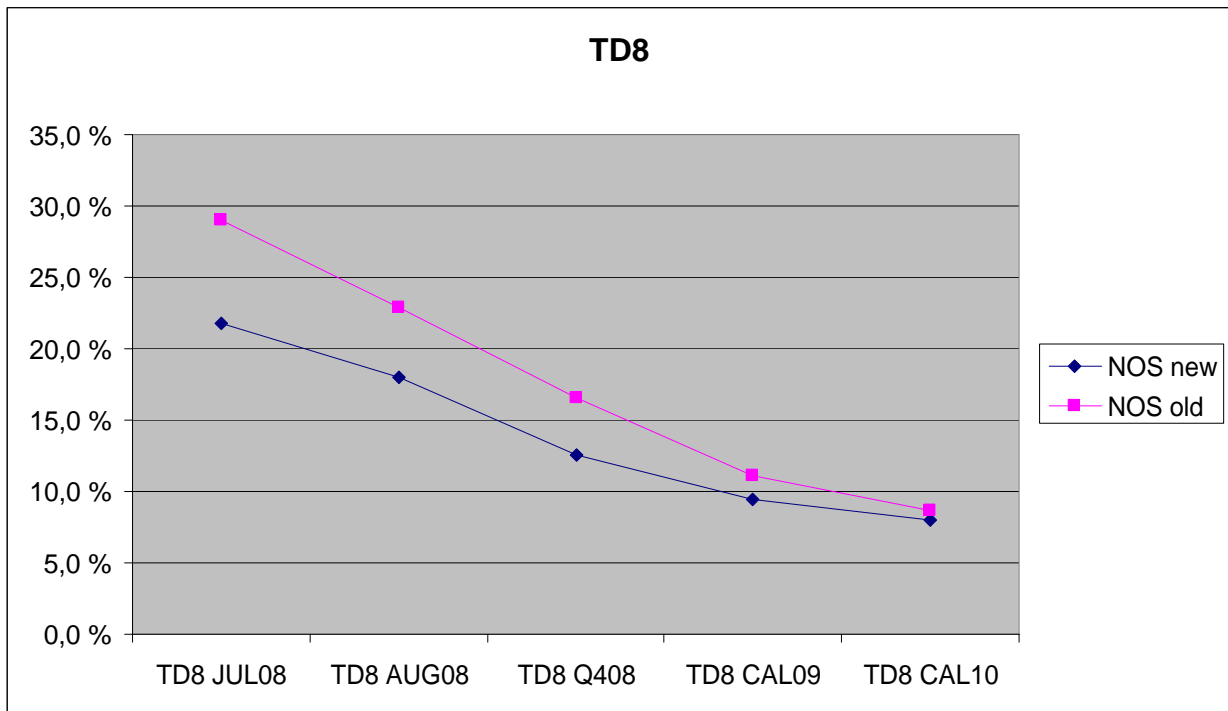
Any questions can be directed to NOS Clearing ASA:

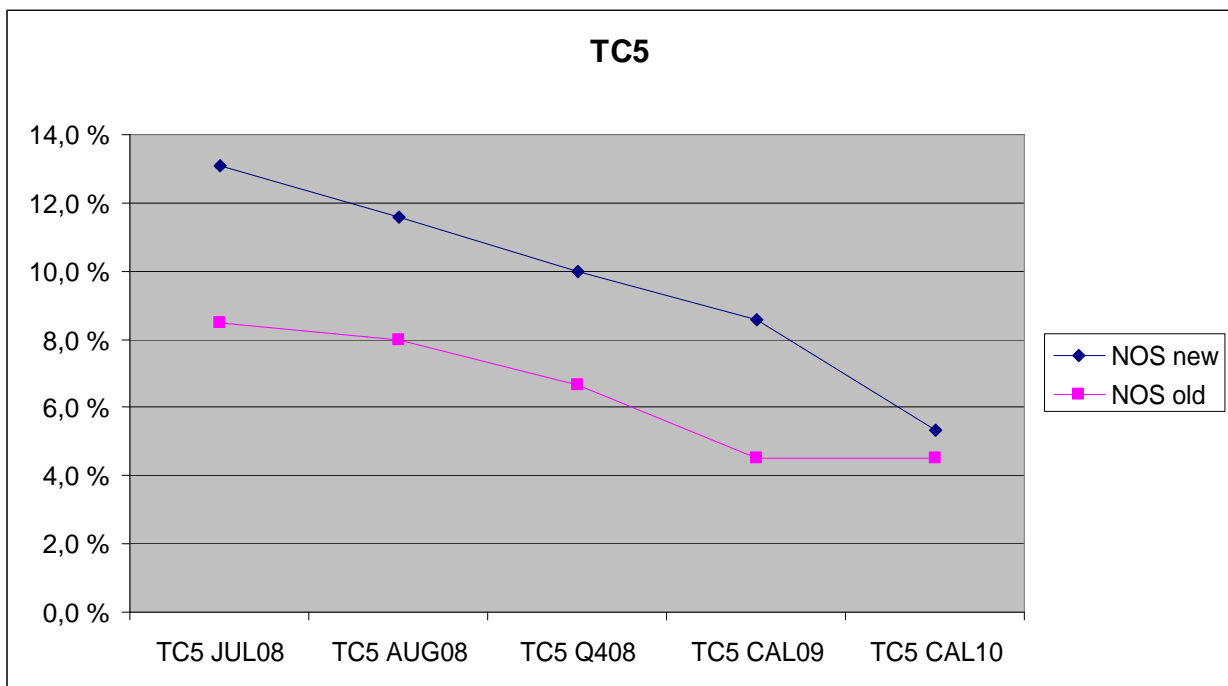
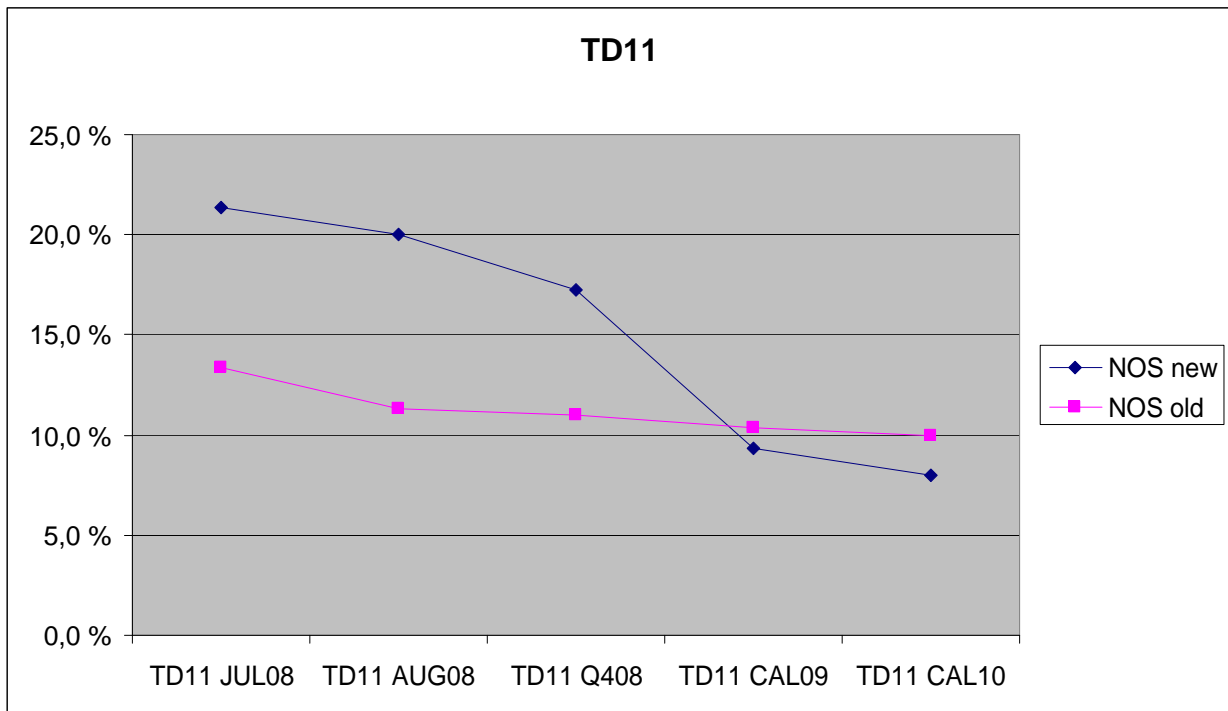
Hanne Bævre Johansson  
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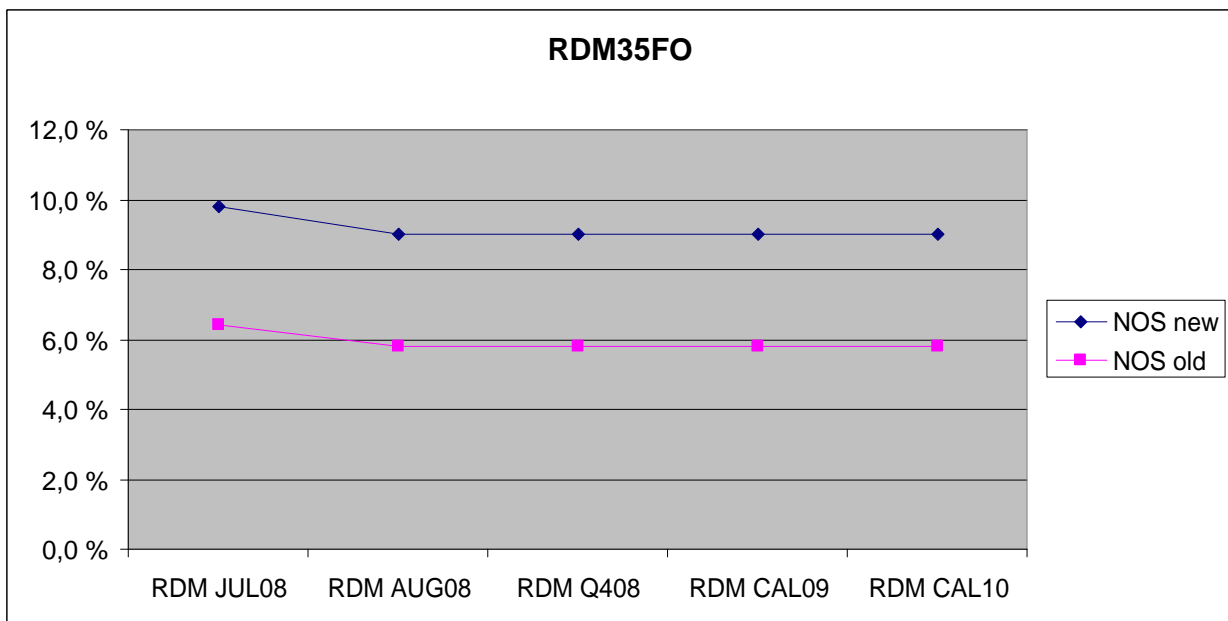
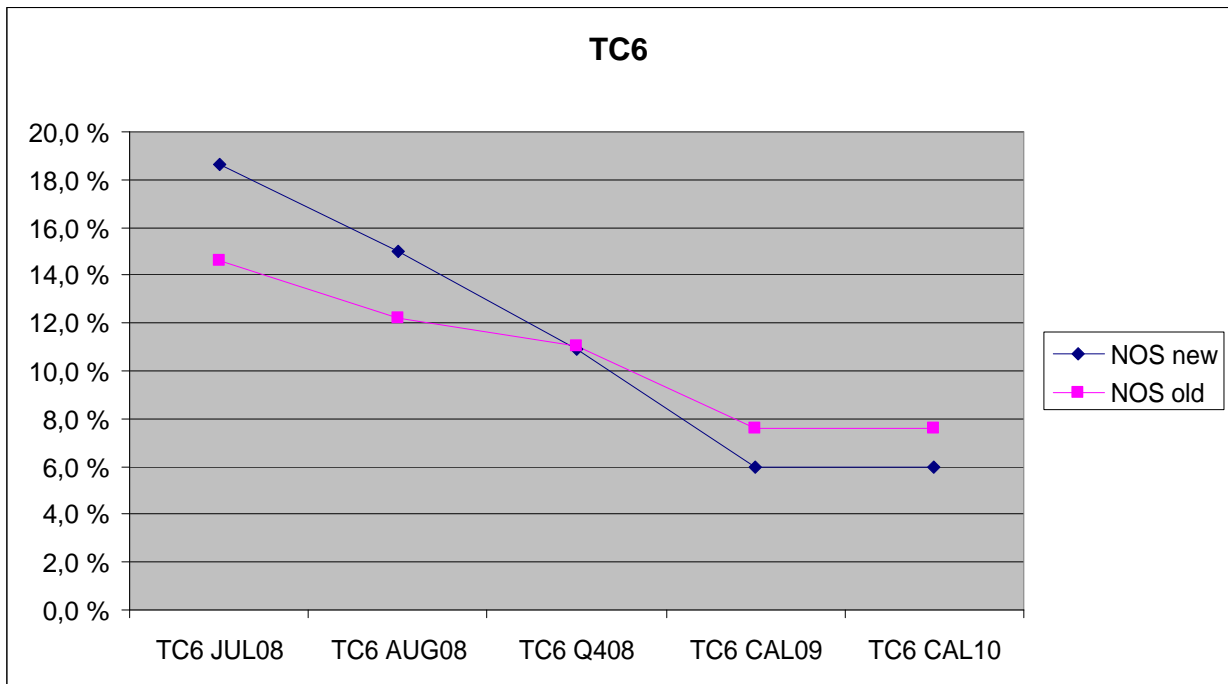
Morten Larsen  
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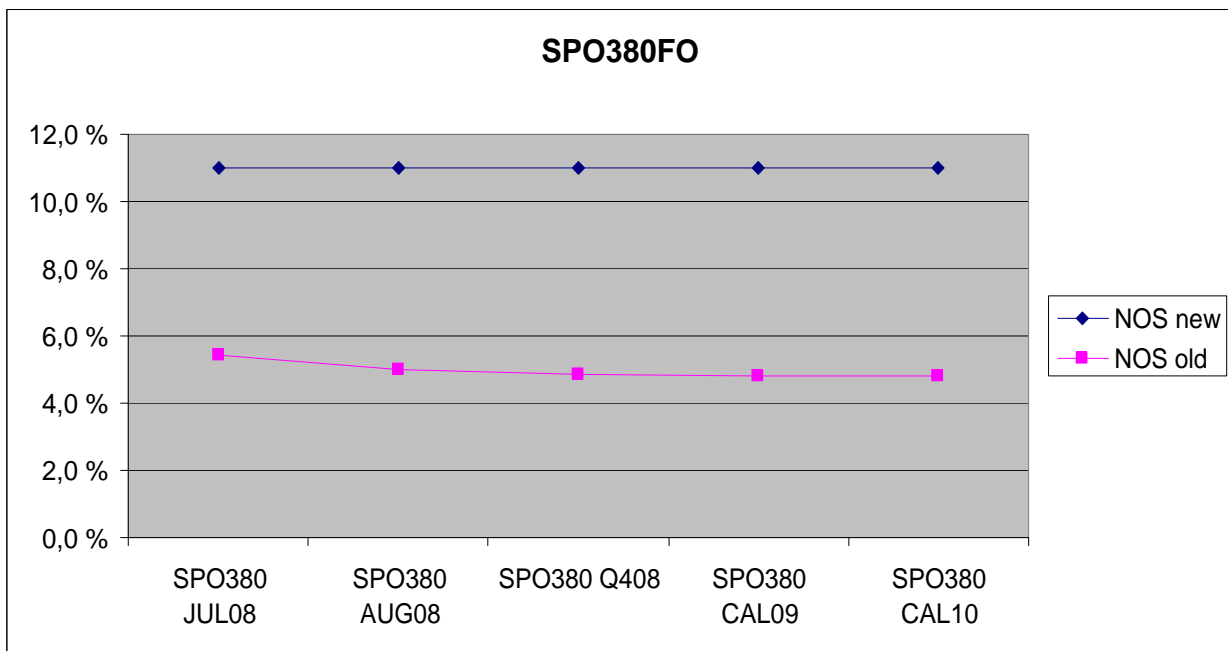
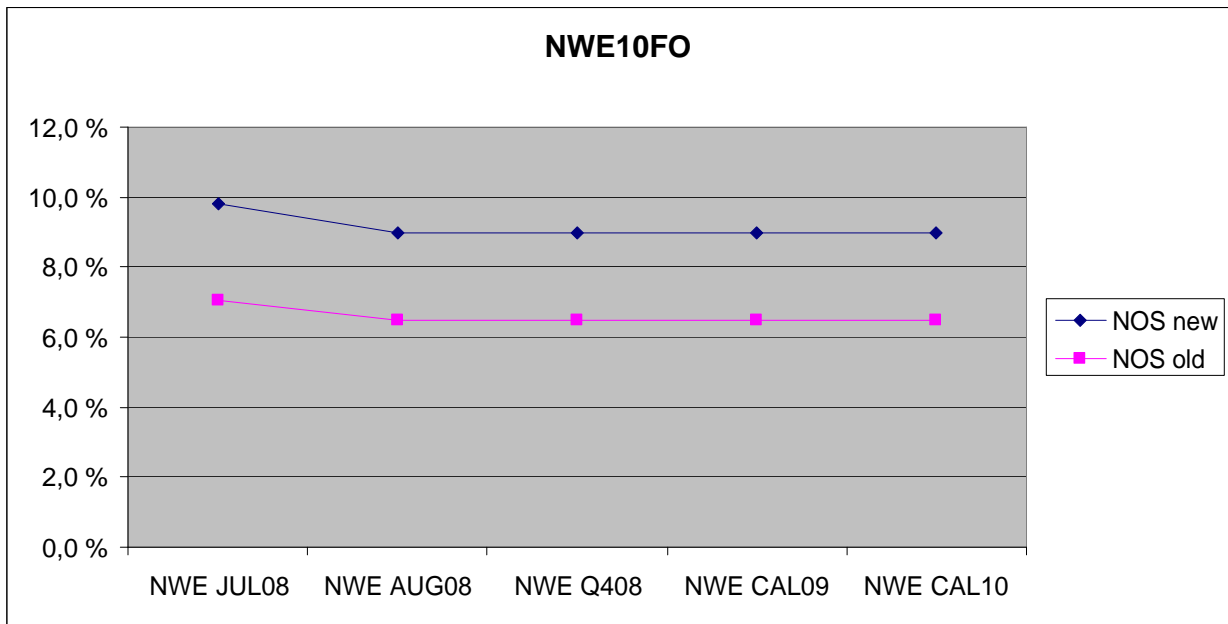
## Appendix 1 – Margin curves

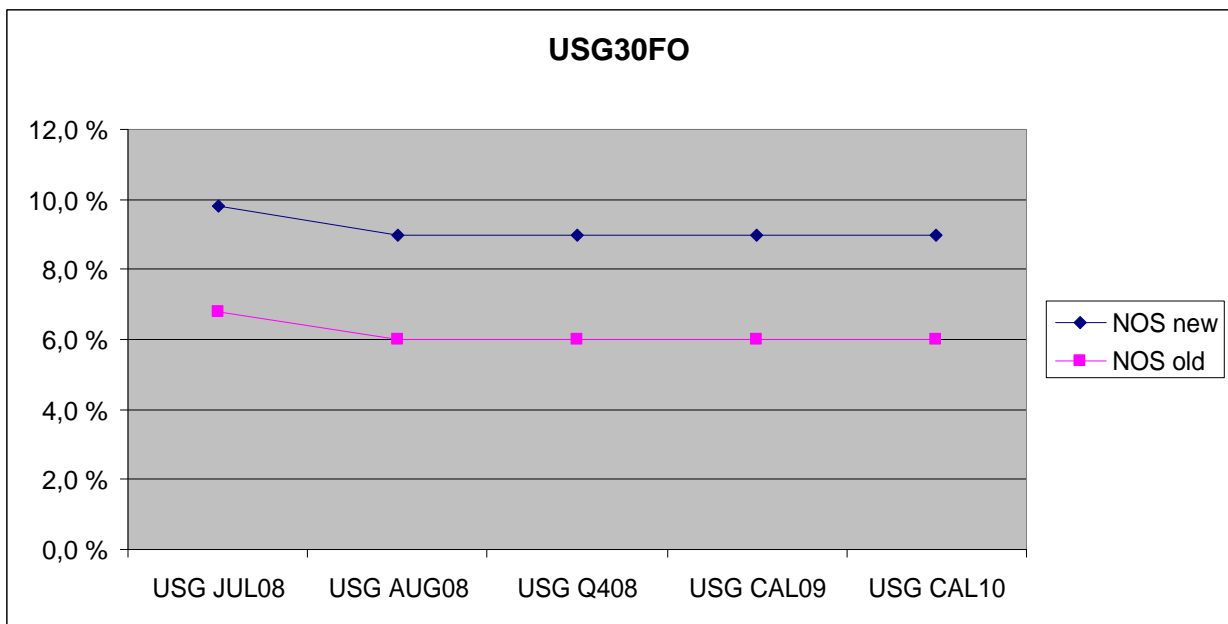
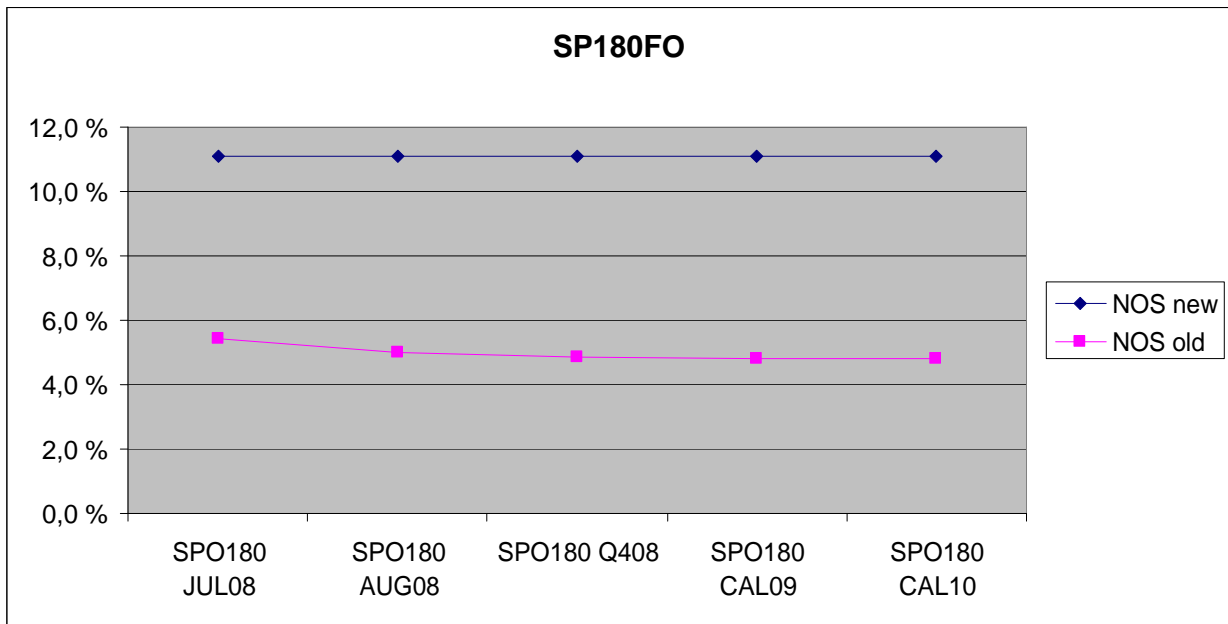












## Appendix 2 – Inter Commodity Spread Credit

		TD3		
Delivery Intervals		0 - 29	29 - 337	337 - 1500
TD8	0 - 29	1 Step		
	29 - 337		2 Steps	
	337 - 1500			2 Steps

		TD7		
Delivery Intervals		0 - 29	29 - 337	337 - 1500
TD11	0 - 29	2 Steps		
	29 - 337		3 Steps	
	337 - 1500			3 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.