

## **Margin adjustment for freight derivatives Reduced margins**

As part of our monthly margin parameter review, NOS has made adjustments to the tanker and dry bulk margin curves. In addition, NOS has improved the inter commodity spread credit between some of the tanker routes.

### **Reduced margin curves**

Margin curves have been reduced to reflect the recent, observed volatility for each product. The volatility in the tanker and dry bulk market has decreased lately which has resulted in decreased margins. The new margin curves are displayed in Appendix 1.

#### **Tankers**

The margins have been reduced for all tanker products.

#### **Dry Bulk**

The margins have been reduced for all dry bulk products.

#### **Increased Inter Commodity Spread Credit**

The credits have been increased between the following products

- TD9-TD7
- TD9-TD11

As an example, this means that the initial margin for a spread position in the TD9/TD11 Q209 contract will be reduced by approximately 30%. The revised Inter Commodity Spread Credit matrix is shown in appendix 2.

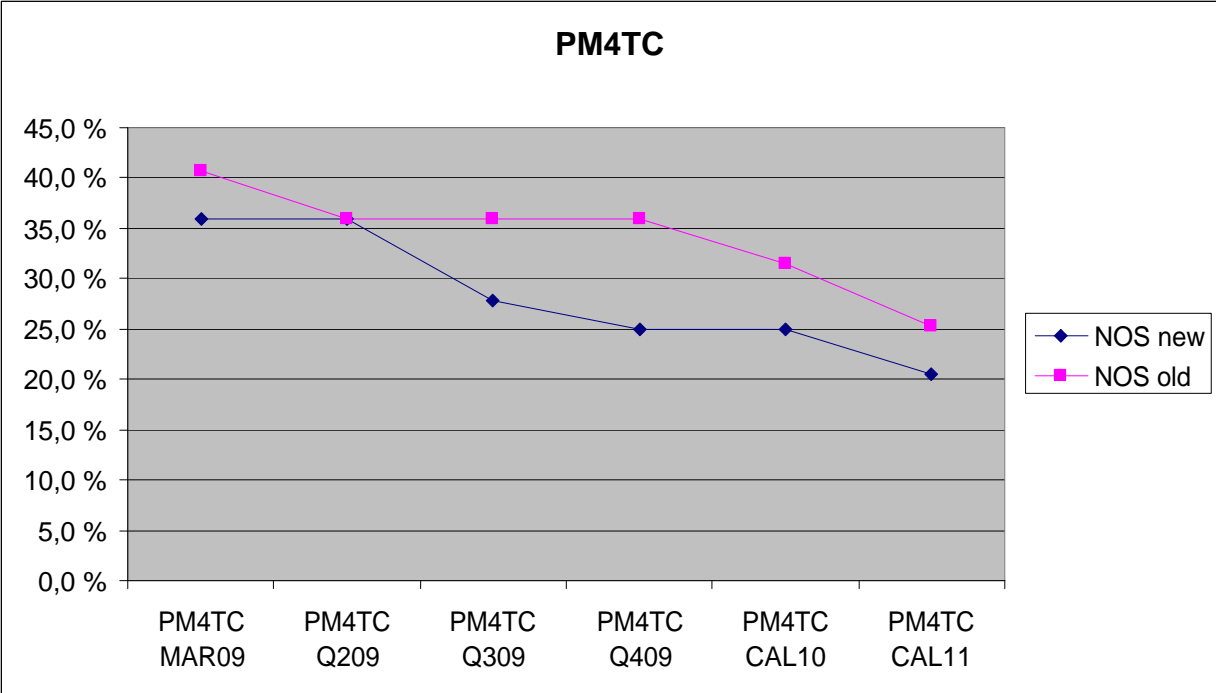
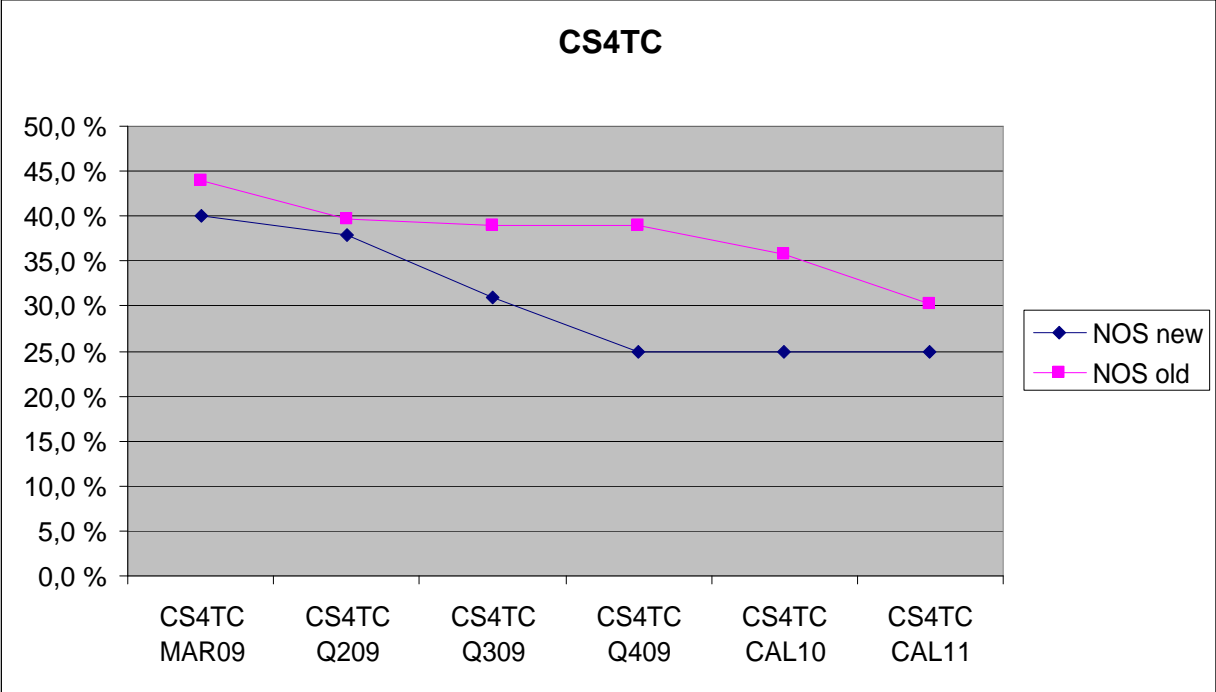
The changes will come into effect from end of business **Monday 9<sup>th</sup> February 2009** for margins to be posted by **15.00 CET Tuesday 10<sup>th</sup> February**.

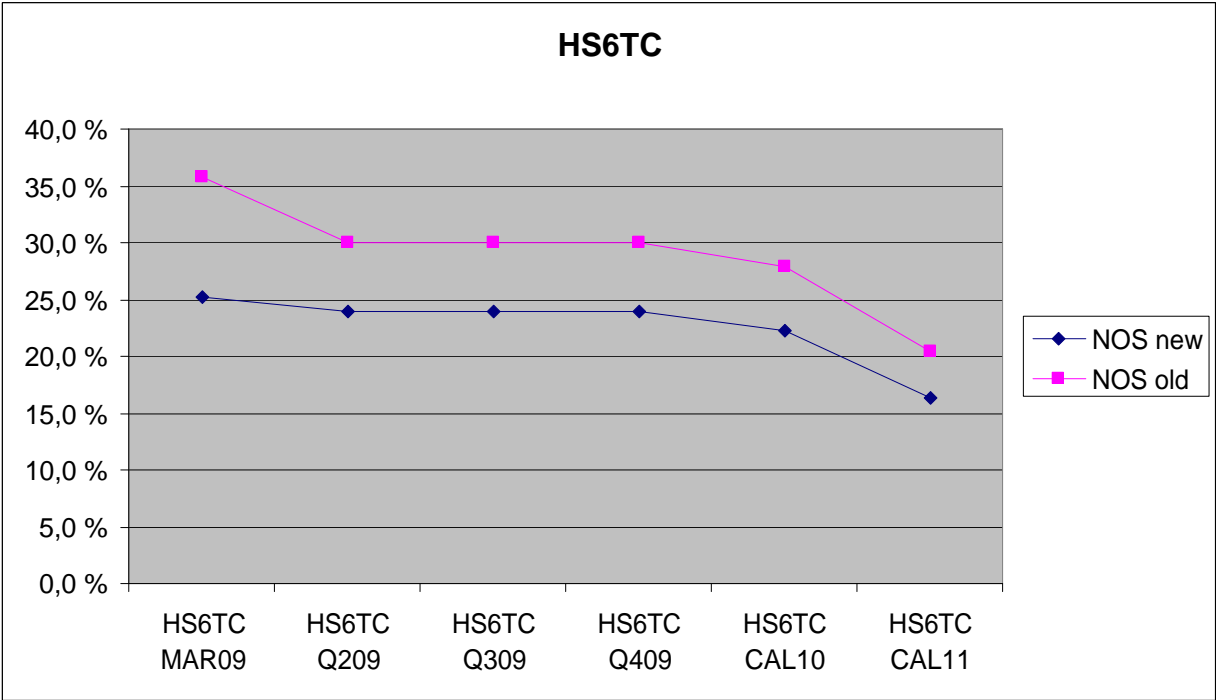
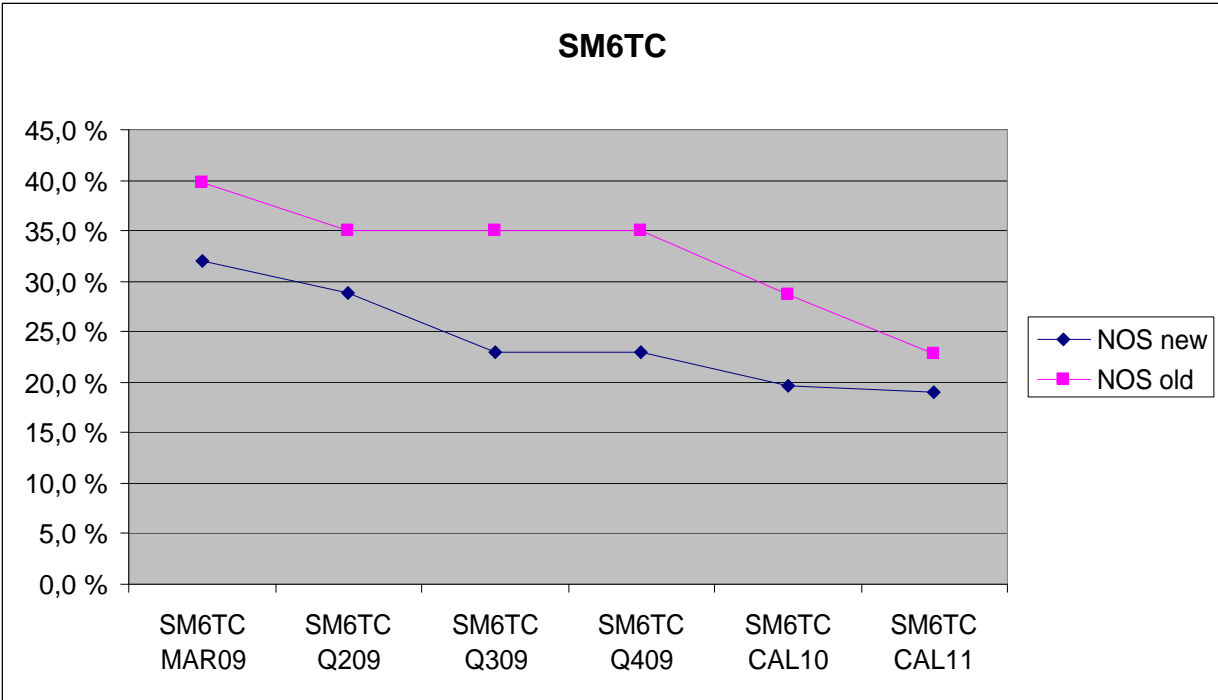
Any questions can be directed to NOS Clearing ASA:

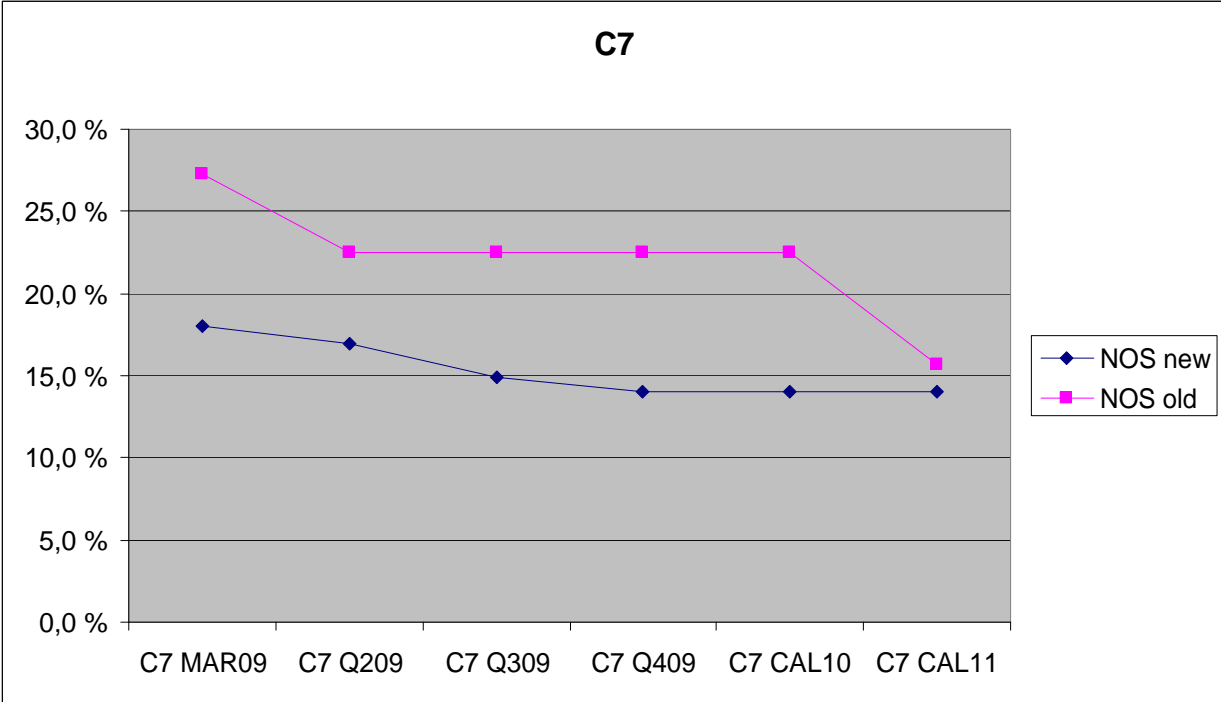
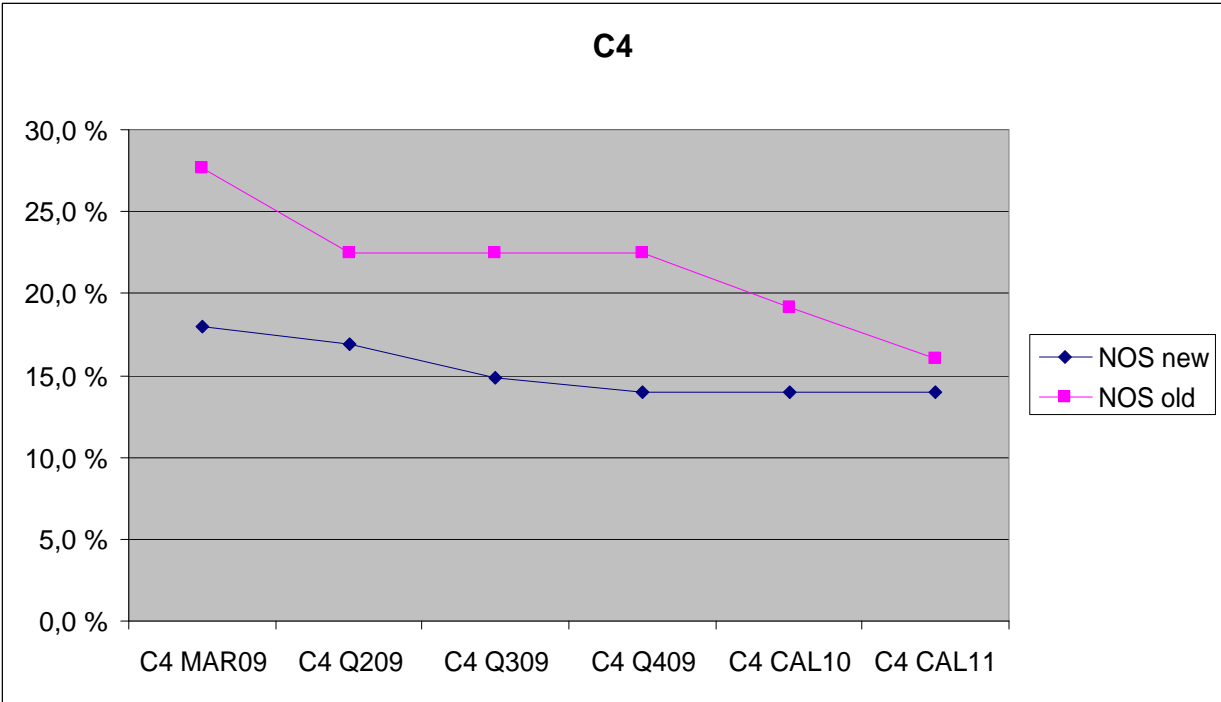
Hanne Bævre Johansson  
Vice President  
+47 23 25 93 20

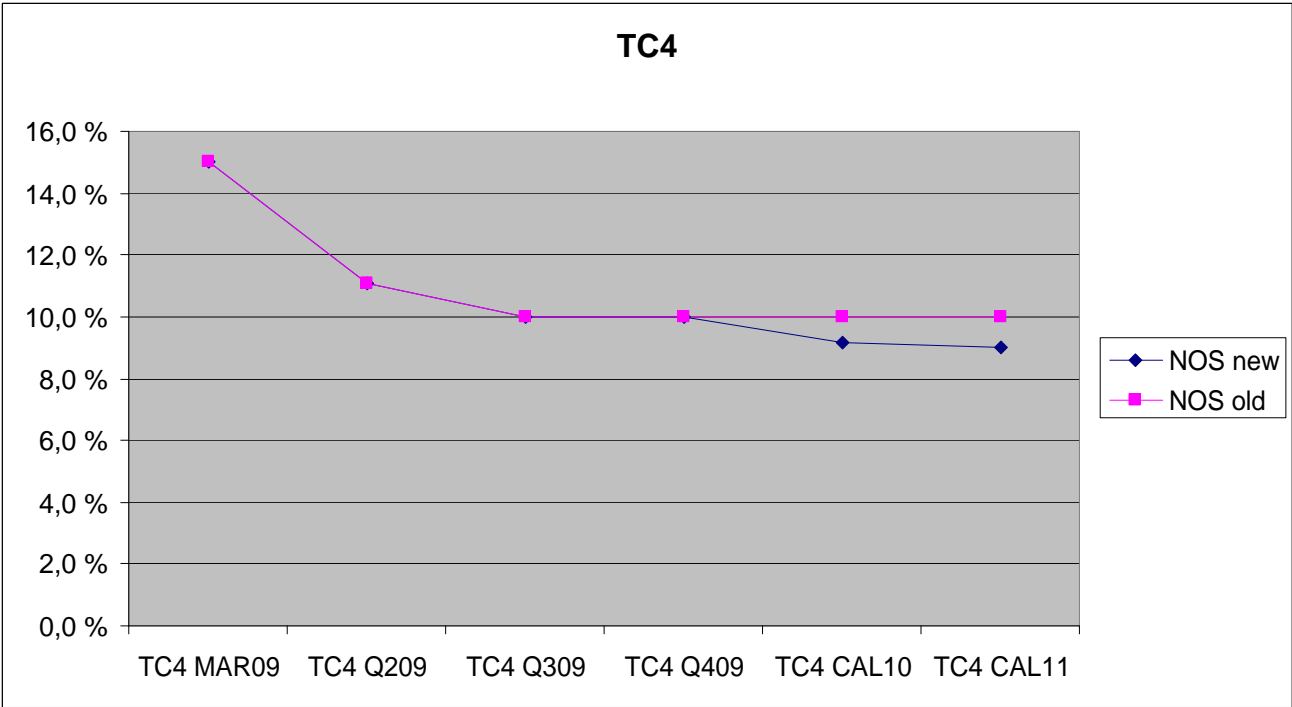
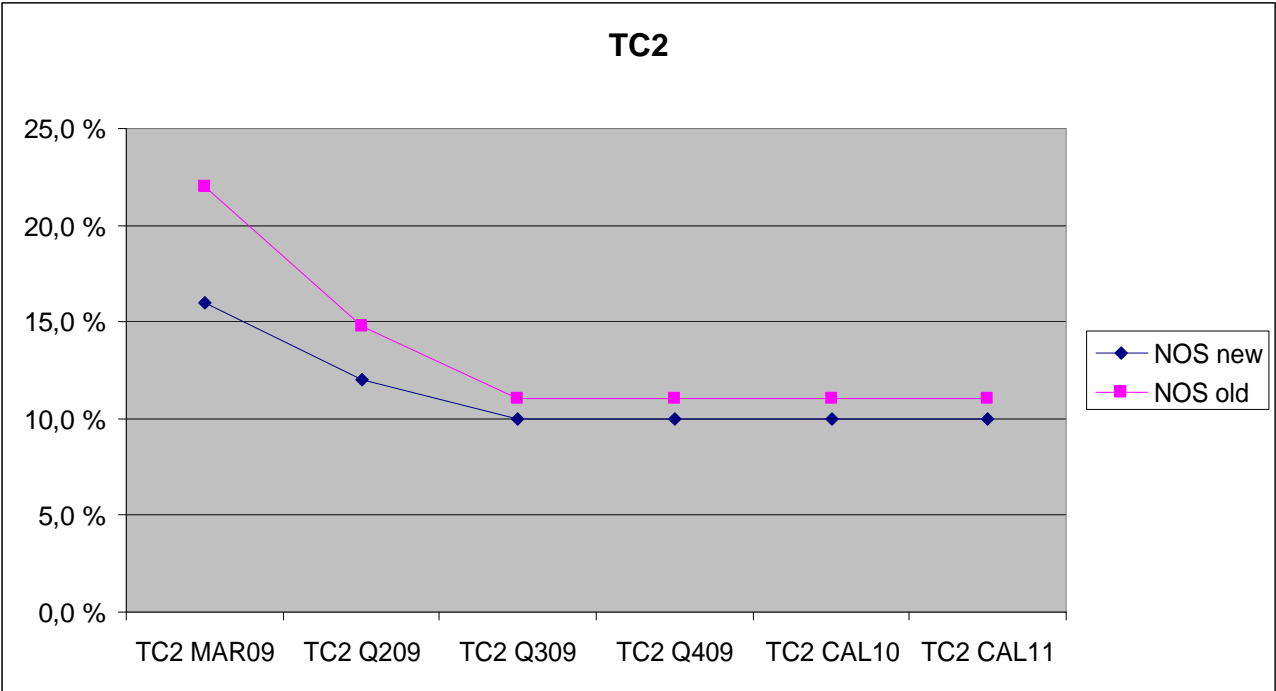
Henrik Hagen  
Market Risk Analyst  
+47 23 25 93 24

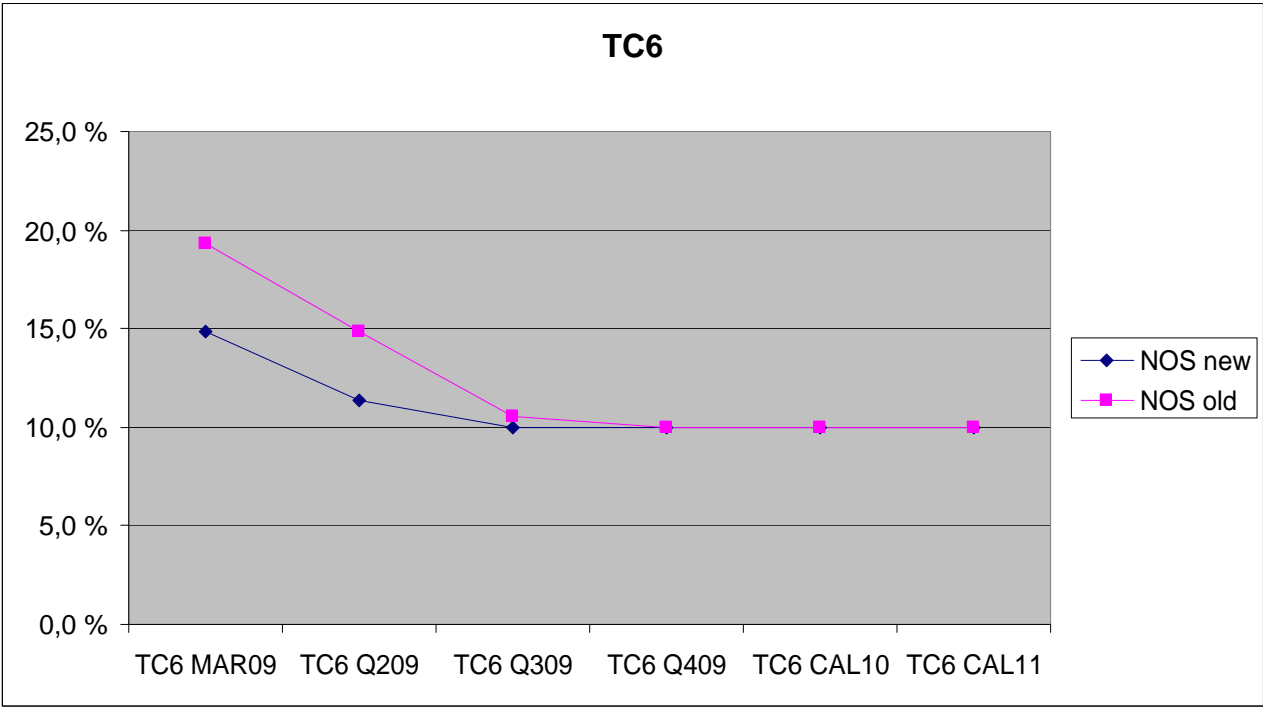
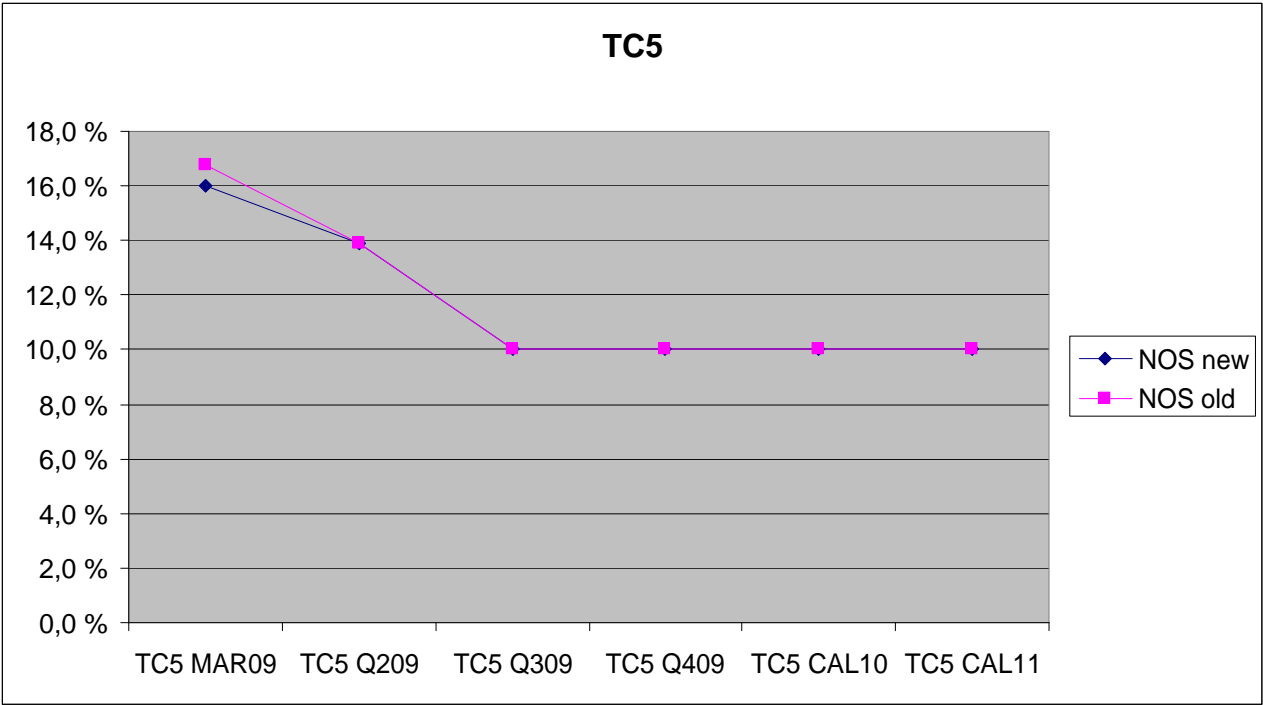
Appendix 1 – Margin curves

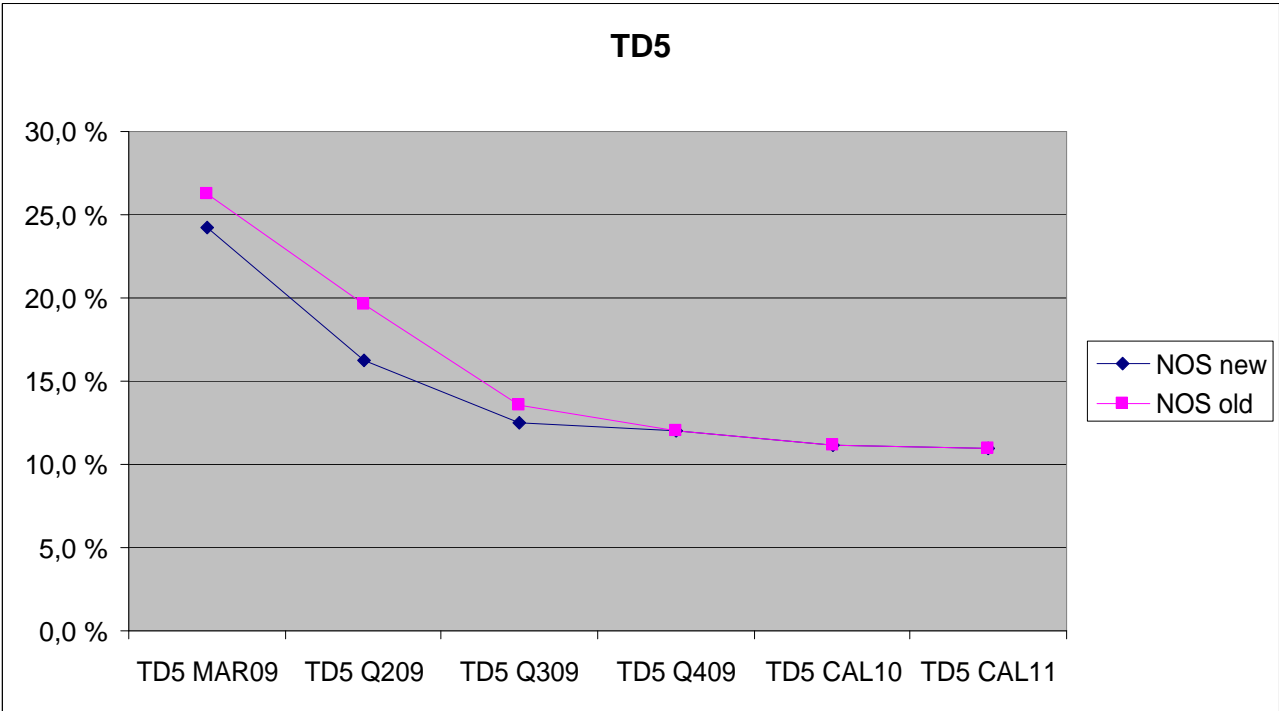
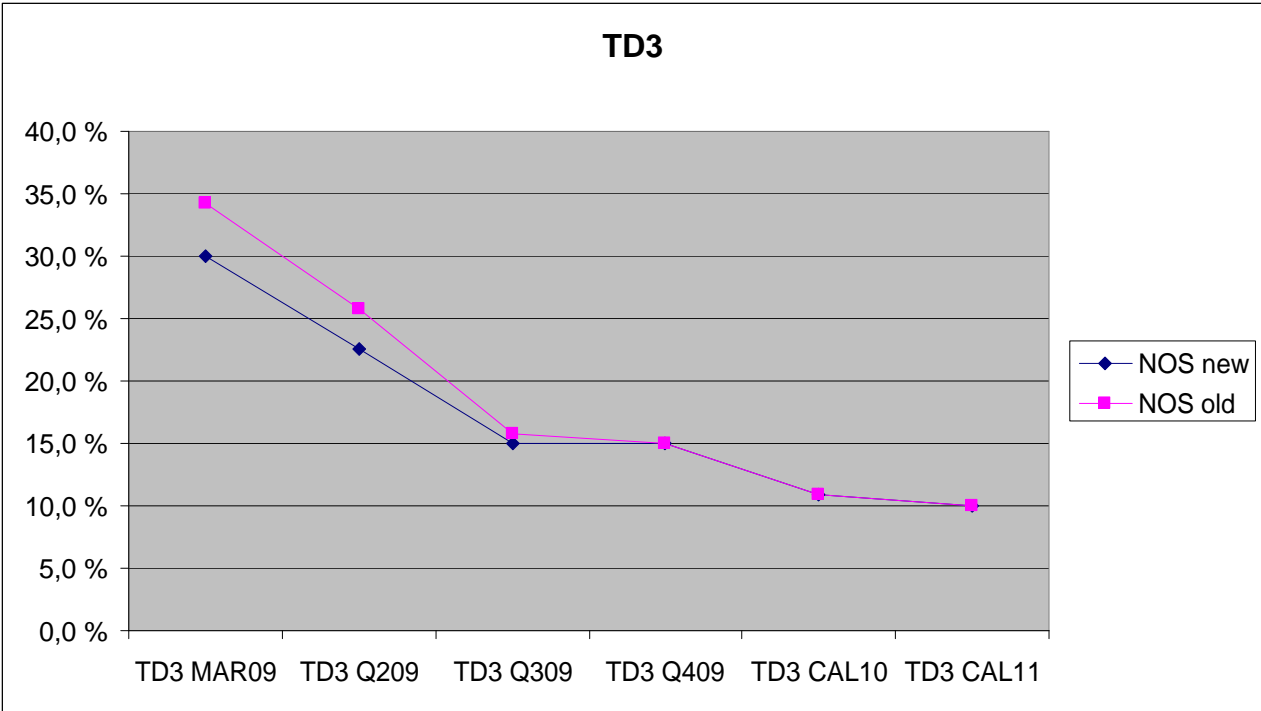


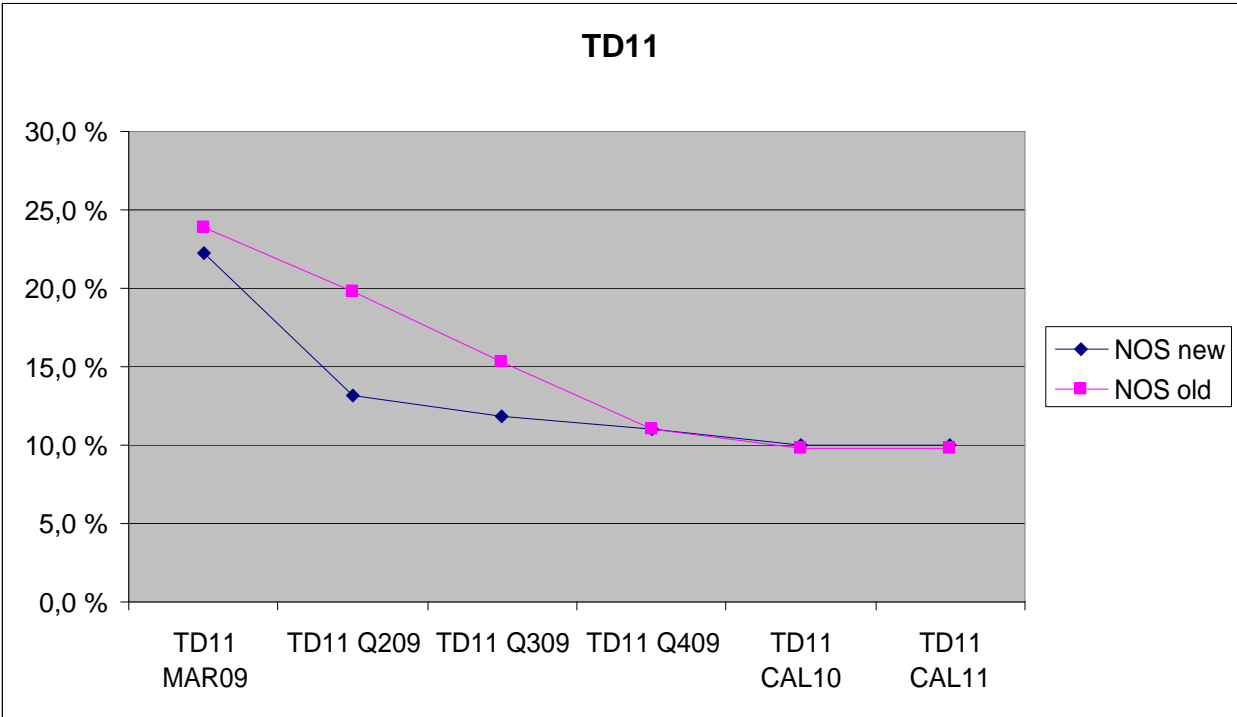
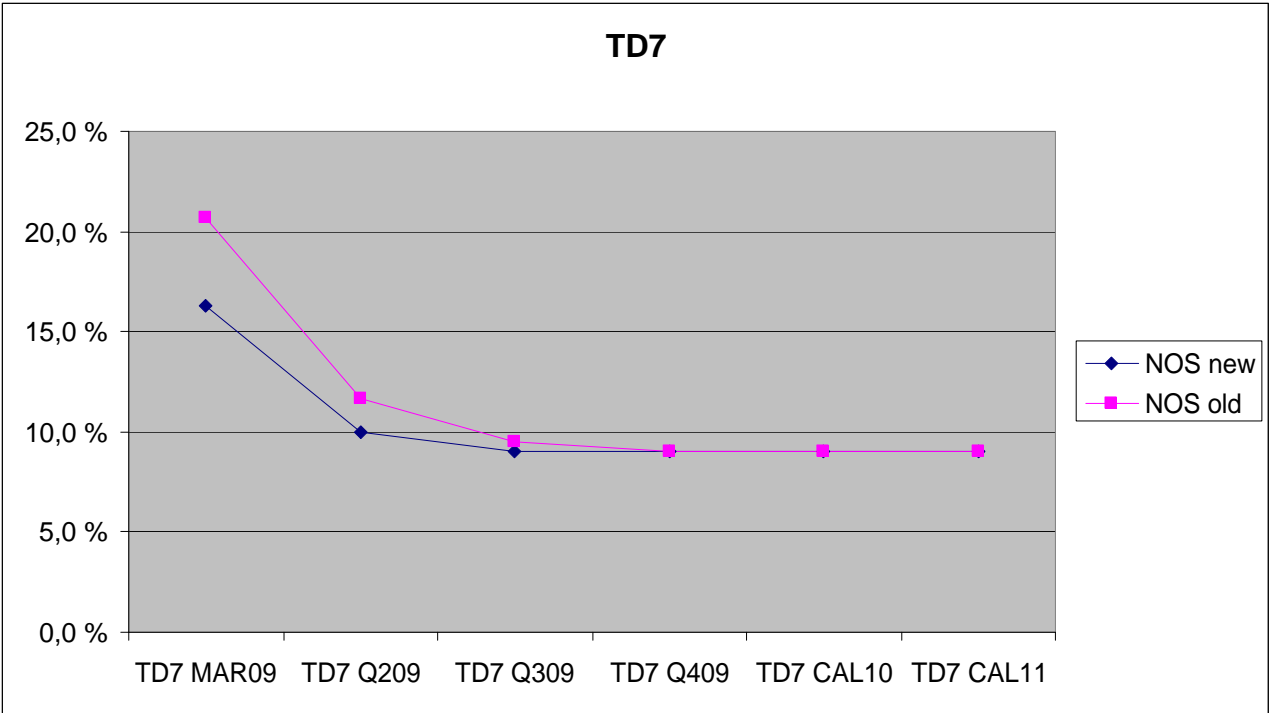


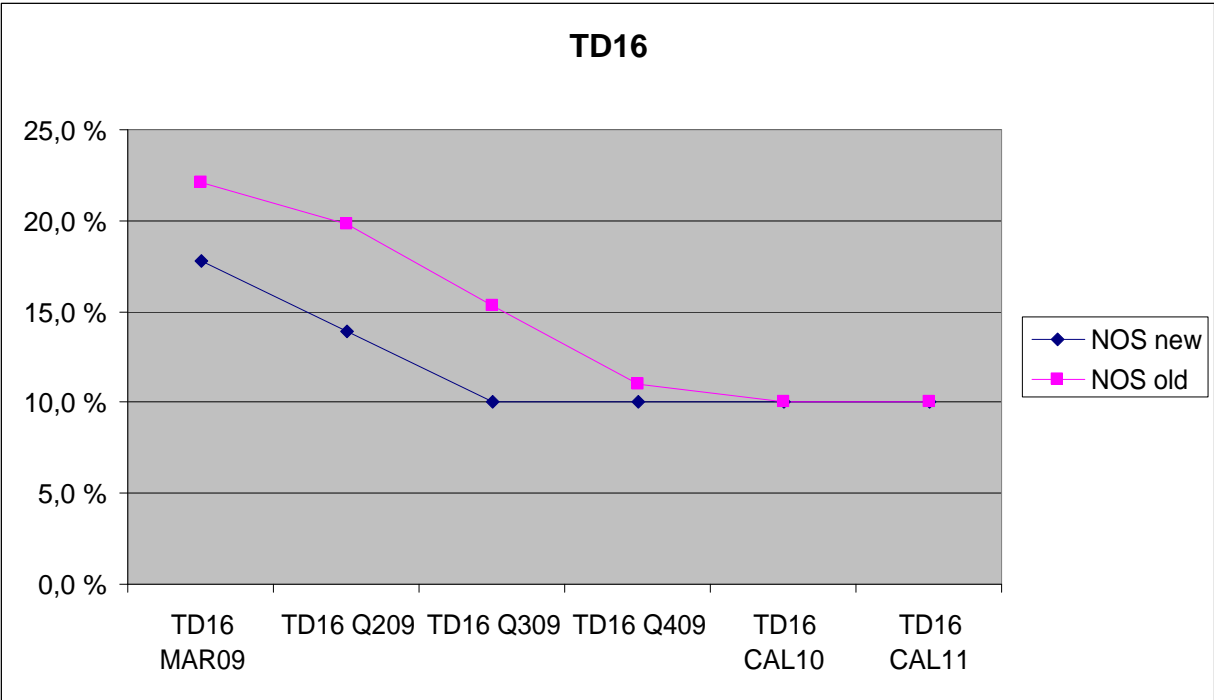












**Appendix 2: Inter Commodity Spread Credit**

		TD7			TD11		
Delivery Intervals		0 - 29	29 - 337	337 - 1500	0 - 29	29 - 337	337 - 1500
TD9	0 - 29	0,51			0,51		
	29 - 337		0,61			0,61	
	337 - 1500			0,61			0,61

		TD7			TD11		
Delivery Intervals		0 - 29	29 - 337	337 - 1500	0 - 29	29 - 337	337 - 1500
TD9	0 - 29	1 Step			1 Step		
	29 - 337		2 Steps			2 Steps	
	337 - 1500			2 Steps			2 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.