



18 January 2010

Clarkson Securities Ltd

First Trade of the Container Freight Swap Agreement

Clarkson Securities Limited, the derivatives broking arm of Clarkson PLC, is pleased to announce the first trade of the Container Freight Swap Agreement (CFSA), between Morgan Stanley, the global investment bank and Delphis, the regional container shipping specialist. This new container freight derivative is an over the counter cash-settled swap that will settle against the Shanghai Shipping Exchange's newly created Shanghai Containerised Freight Index (SCFI).

The index is comprised of freight rates from Shanghai to a number of mainline ports around the world giving USD per TEU assessments on a range of tradelanes. Rates are assessed on an 'all in' basis for spot shipment by 30 panellists, comprising of container lines, non vessel operating common carriers and freight forwarders.

Commenting, Alex Gray, CEO of Clarkson Securities Ltd said:

"We are delighted to announce the first trade of our newly developed Container Freight Swap Agreement. We have been working closely with the Shanghai Shipping Exchange to ensure the SCFI will be a suitable mechanism for container freight derivatives such as this and firmly believe this index heralds a new era for marine risk management.

As well as providing an interesting product for financial investors, the CFSA will allow industry players to cover their own exposure against an agreed barometer of the market without affecting their competitive advantage. By allowing carriers to protect themselves against market fluctuations better competitive conditions for all will be created."

About Clarksons Securities Limited:

- Clarkson Securities Limited, the derivatives broking division of Clarkson PLC, was established in 1995 to focus on the Forward Freight Agreement (FFA) market. Our teams in London and Hong Kong now focus on FFAs and Iron Ore Swaps whilst continually exploring and developing new derivative products.
- The concept of FFAs, designed to manage the high volatility of dry and wet freight markets, was pioneered by Clarkson in 1991. Since then FFAs have become widely used risk management instruments to manage freight exposure.
- FFAs trade as OTC swaps, predominately cleared, or as European Options, which can be placed for any period up to five years ahead.
- CSL is authorised and regulated by the Financial Services Authority.

About Delphis:

Delphis was founded in March 2004 and is active in regional container shipping. It fully owns Europe's leading feeder operator Team Lines and controls a fleet of 40 owned and chartered container vessels ranging from 500 to 2,500 TEU. Delphis' main headquarters are in Antwerp, Hamburg and Hong Kong.

About Morgan Stanley:

Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 1,200 offices in 36 countries. For further information about Morgan Stanley, please visit www.morganstanley.com.

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