S&P Global
Platts

Shipping

Dry Freight TCEs Explained

Overview

Platts Time Charter Equivalent (TCE) assessments reflect the net daily revenue of vessels operating on key dry bulk routes across the globe. They are available in the Platts pricing database and in the Dry Freight Wire.

Primary features

- Daily assessments, expressed in $/day
- Dual TCEs: reflect scrubber and non-scrubber tonnage on same routes, reflecting the two-tier market post-IMO 2020
- Fed by daily Platts bunker prices in representative ports: HSFO, 0.5% marine fuels, MGO
- Fully transparent formulas and assumptions, derived from extensive market survey
- Produced by an independent, heavily regulated price reporting agency
- Level the playing field, providing clear benchmarks for both physical and paper contracts

Calculation

Formula: TCE = net revenue / days of voyage

- Net Revenue = total revenue - total expenses
- Total Revenue = ($/mt freight rate x cargo quantity) - 5% commission
- Total Cost = bunker costs + port costs

Variables like load and discharge rates, a vessel's speed and fuel consumption, and port costs are based on extensive market surveys and can be easily adjusted on feedback from industry participants. All changes would be communicated to the market in advance.

Dry Freight Wire

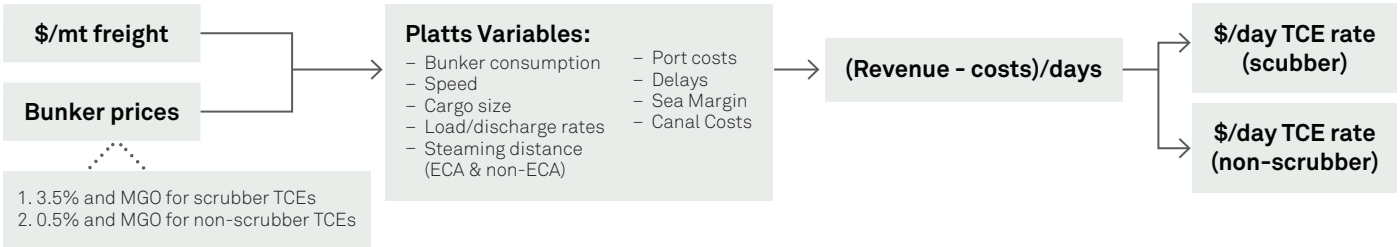
Platts Dry Freight Wire provides market participants with price assessments and analysis of the fundamentals affecting freight prices.

- More than 250+ independent freight rate price assessments updated daily
- Voyage ($/mt) and $/day (TCE) freight rates, latest fixtures, cargoes, bids and offers
- All major vessel sizes, from Capesize to Handysize
- Covering all major dry freight commodities: alumina, bauxite, coking and thermal coal, ferrous scrap, grains, iron ore, limestone, petcoke and sugar
- Choice of format and delivery for easy integration into back-office and analytical databases including via the Platts API or intuitive Excel Add-In

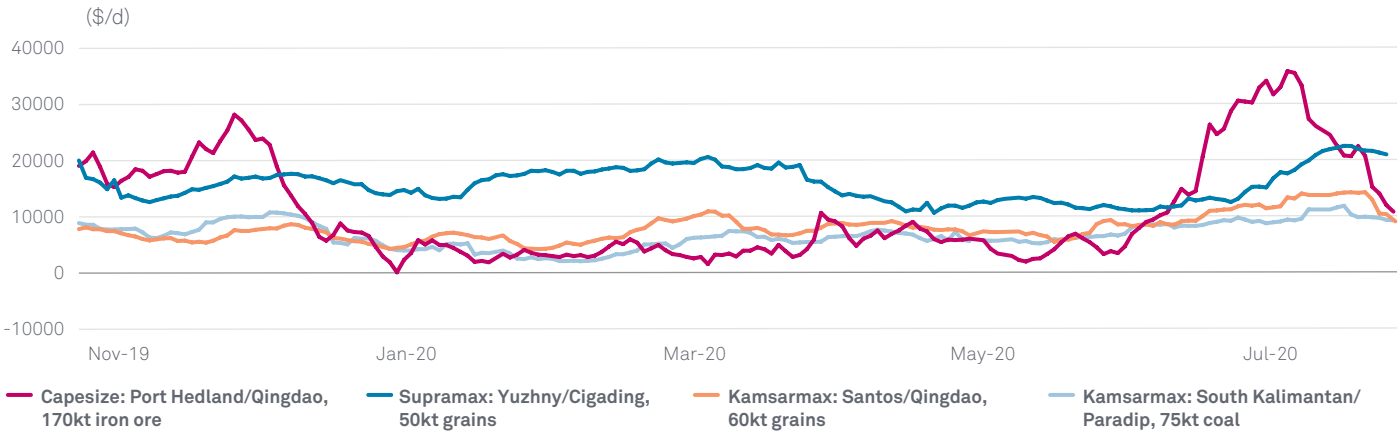
Benefits

- Keep up-to-date with market developments and spot opportunities ahead of the competition
- Save time by gaining access to unique cargo information and verified fixtures
- Understand price drivers and fluctuations to trade, write contracts and negotiate transactions with confidence
- Understand the tonnage situation and freight levels
- Leverage arbitrage opportunities to optimize profit margins

Platts TCE Calculation



Dry Bulk TCEs



Source: S&P Global Platts

CAPE T4 Index

The Platts CapeT4 Index is based on trade flow volume and captures the movement of widely consumed commodities, such as iron ore and coal, which ensures accurate representation of physical spot market trading activity. It is calculated by applying an allocated weighting to the daily TCE ($/day) assessments of four key Capesize round voyage routes:

Route	Voyage	Symbol Code	Weighting (%)
PPTCE5	N China Australia Round Voyage	MRYAA00	46
PCTCE8	N China S Africa Round Voyage	MRYBA00	6
PCTCE3A	N China Atlantic Round Voyage	MRYCA00	45
PPTCE7	Trans-Atlantic Round Voyage	CRYAA00	3

Primary features

- Published at the 5:30 pm Singapore Market on Close
- Weighted average is based on ton-mile demand
- Ton-mile data collected from Platts cFlow ship-tracking software
- Robust and transparent methodology
- Reflects real supply-and-demand fundamentals of the dry bulk market

KMAX 9 Index

Platts KMAX 9 is a weighted average index of the global trade flow on Kamsarmax vessels. The KMAX 9 is derived by applying an allocated weighting to the daily Time Charter Equivalent (TCE) assessments of nine key voyages. Weighting for the individual TCE assessments is determined by the volume of Kamsarmax vessel movements observed between the regions associated with the respective voyages over the last three years from Platts' trade flow software cFlow.

The weighting for the average TCE assessment is as follows, based on flows observed over January 1, 2017 to December 31, 2019:

Route	Voyage	Symbol Code	Weighting (%)
PPTCE6eL	S Kalimantan, Indonesia - Paradip, India	CRYBB00	2.50
PPTCE44L	E Kalimantan, Indonesia - Guangzhou	CRYBE00	6.50
PPTCE3eL	Richards Bay, South Africa - Paradip, India	CRYDB00	6.15
PPTCE8L	Hay Point, Australia - Paradip, India	MRYEB00	7.45
PPTCE7L	Hay Point, Australia - Qingdao, China	MRYFB00	11.25
PPTCE20L	Vancouver, Canada - Qingdao, China	CDCAE00	10.75
PPTCE27L	New Orleans, Louisiana - Qingdao, China	DNQBB00	8.75
PPTCE26L	Santos, Brazil - Qingdao, China	GSBQC00	34.25
PPTCE10L	Hampton Roads, Virginia - Rotterdam, Netherlands	GCHRB00	12.40

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