

November 2019

Dry Freight TCEs

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, ready for IMO2020
- 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 players. All changes would be communicated to the market in advance.

CAPET4 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.

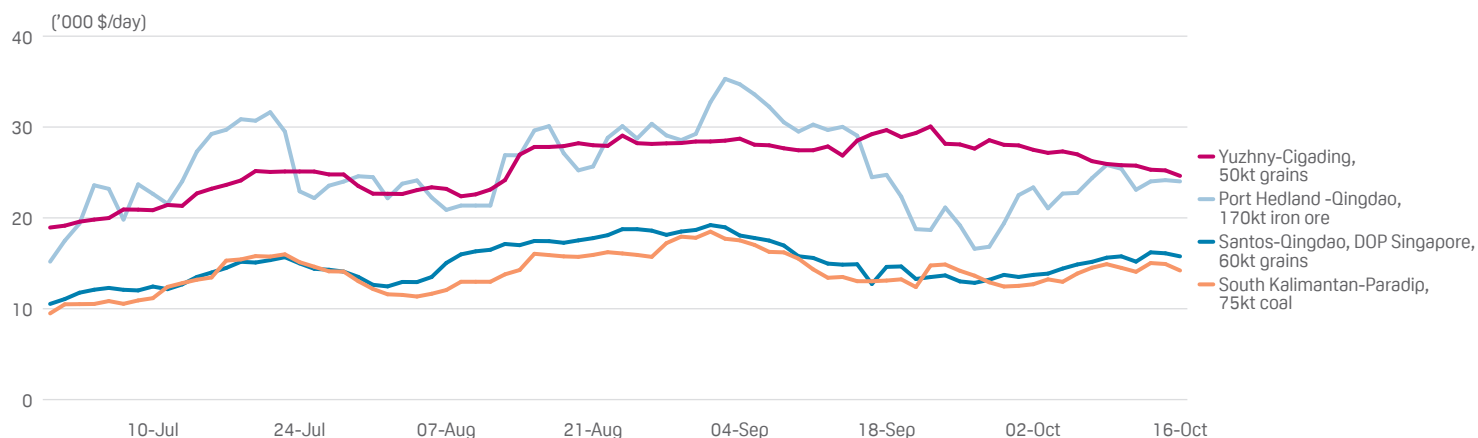
It is calculated by applying an allocated weighting to the daily TCE (\$/day) assessments of four key Capesize round voyage routes:

1. Western Australia to China (Platts code: PCTCE5)
2. Brazil to China (Platts code: PCTCE3A)
3. South Africa to China (Platts code: PCTCE8)
4. Colombia to Netherlands (Platts code: PCTCE7)

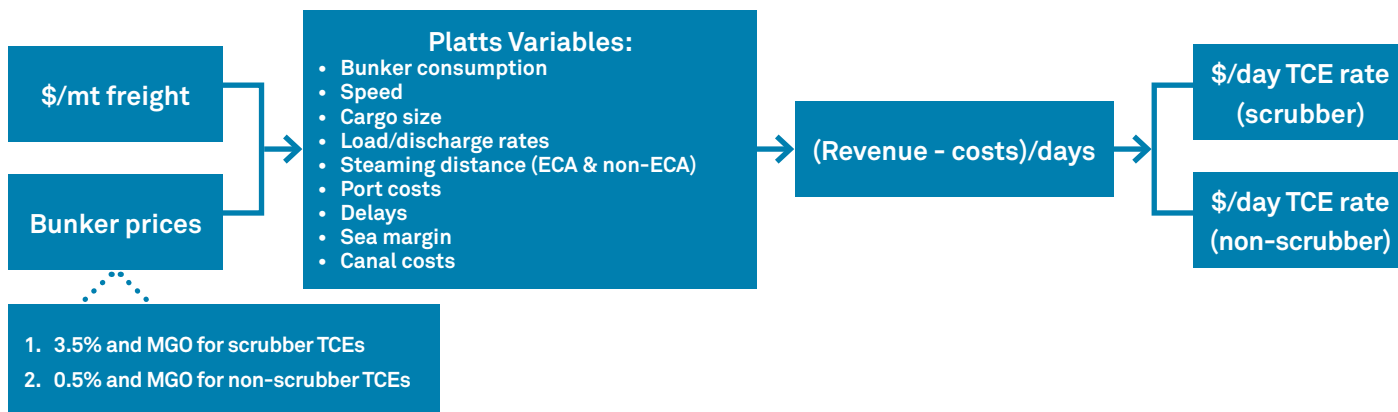
Primary features

- 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

PLATTS DRY BULK TCE ASSESSMENTS



PLATTS TCE CALCULATION



DRY FREIGHT WIRE

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

- More than 120 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

For more information, please refer to the Platts freight methodology guide at <https://www.spglobal.com/platts> or e-mail shipping@platts.com

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