

## **Following consultation with members, the Baltic Exchange will be implementing previously announced changes to the Baltic Dry Index (BDI).**

From 1 March 2018 the BDI will be re-weighted to the following ratios of timecharter assessments: 40% Capesize, 30% Panamax and 30% Supramax and will no longer include the Handysize timecharter average.

Commenting on the modifications, Baltic Exchange Chief Executive Mark Jackson said:

“The Baltic Exchange has been publishing the Baltic Dry Index (BDI) in various forms since 1985 when it started life as the Baltic Freight Index (BFI). Like any aggregate index, its composition has changed over the years to reflect changes to the underlying market. In our case this means ensuring that the BDI broadly reflects dry bulk global trading patterns. The new weightings are simply the next phase of development in this process. We have listened carefully to feedback from Baltic Exchange members and the majority were enthusiastic about the changes and the opportunities it offers.”

Stefan Albertijn, Chair of the Baltic Index Council (BIC) commented:

“Over the years there has been considerable interest from the commodity and financial community in trading the BDI. We’re excited by the prospect of exchange traded funds based on the BDI and are confident that the BDI will remain an accurate general measure of the health of the dry bulk shipping markets.”

External research concluded that the contribution of the various dry bulk vessel types to the dry bulk market was 40% Capesize, 25% Panamax, 25% Supramax and 10% Handysize. This analysis was based on the fleet composition, vessel utilisation including ballasting and total cargo moved – based on import/export reports and AIS data, the BDI weightings will be reviewed on an annual basis. The decision to not include Handysize contributions makes no statistical difference to the calculation of the BDI, based on the above weightings.

The Baltic Exchange will continue to report the Handysize vessel market and in November, as part of the ongoing review of its indices, launched a trial of a new Handysize Imabari 38 benchmark vessel and seven timecharter routes.

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