



FIS to begin coverage of four pulp and paper futures contracts

China-focussed contracts enable traders and hedgers to access fresh liquidity with exchange and index settlement

London, 13 November 2020. Freight Investor Services, the leading broker of freight and commodities futures and options, is supporting traders wishing to take advantage of the cash-settled pulp and paper contracts offered by NOREXECO clearing against the Shanghai Futures Exchange final delivery settlement price and Fastmarkets FOEX/RISI.

The first of four new contracts – Shanghai Bleached Softwood Kraft Pulp Futures (NOREXECO Shanghai Pulp Futures) is already available via NOREXECO with financial settlement against the NOREXECO Shanghai Final Index (NSFI).

In Q1 2021 NOREXECO will launch two additional China-focussed contracts, Northern Bleached Softwood Kraft (NBSK CIF China Future) and PIX Bleached Hardwood Kraft Pulp (BHKP China Net Future) both with settlement against the Fastmarkets FOEX/RISI.

NOREXECO will also launch a new contract for recycled paper (NOREXECO Recycled Paper OCC) also with settlement against Fastmarkets indices.

These new contracts enable traders in the physical market and those interested in trading volatility to take advantage of market movements and hedge their exposure. FIS is delighted to have this opportunity to link volumes between Asian and Western counterparts and provide a fresh trading opportunity.

China accounts for 36% of pulp demand, importing 9m tonnes of softwood NBSK and 12m tonnes of hardwood BHKP annually. Around 400m tonnes of Pulp futures traded on the SHFE last year and annual volatility of the NBSK contract is around 27%, higher than Cotton, Copper and Brent Crude.

FIS has a track record of more than a decade in developing liquidity in new markets and is ideally positioned to help new and existing clients add this asset class to their trading portfolios.

"With annual volumes of 70m tonnes and 200m tonnes respectively, the pulp and recycled paper markets represent a huge opportunity for traders with physical exposure to the Chinese market and futures players seeking new counterparts," said John Banaszkiwicz, Managing Director, Freight Investor Services. "FIS is delighted to bring a new opportunity to credible and long established markets and create fresh liquidity to participants eager to access index-settled futures contracts."

Specifications for the NOREXECO contracts are available on request, FIS clients should contact their broker to find out more.



Contacts

Jonathan Fish | T: +44 (0) 207 090 1120 | E: Jonathanf@freightinvestor.com

Lina Liu | T: 0086 15000131292 | E: linal@freightinvestor.com | Wechat: linaliu003

Disclaimer

The information provided in this communication is general in nature only and does not constitute advice in relation to investment products nor constitute any recommendation on our part. The information has been prepared without taking into account your investment objectives, financial situation or knowledge and experience. This e-mail may contain information that is confidential, privileged or otherwise protected from disclosure. If you are not an intended recipient of this e-mail, do not duplicate or redistribute it by any means. Please delete it and any attachments and notify the sender that you have received it in error. Unintended recipients are prohibited from taking action on the basis of information in this e-mail. E-mail messages may contain computer viruses or other defects, may not be accurately replicated on other systems, or may be intercepted, deleted or interfered with without the knowledge of the sender or the intended recipient. If you are not comfortable with the risks associated with e-mail messages, you may decide not to use e-mail to communicate with FIS. FIS reserves the right, to the extent and under circumstances permitted by applicable law, to retain, monitor and intercept e-mail messages to and from its systems. Freight Investor Services Limited ('FIS') is a private limited company, incorporated and registered in England and Wales with company number 04243444, which is authorised and regulated by the Financial Conduct Authority (FRN 211452). FIS has branch offices in the USA. Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. All above companies are business associates, that work close with each other, and are separate legal entities. Further information about FIS including the location of its offices can be found on our website at: www.freightinvestor.com

Freight Investor Services Ltd

UK: +44 (0) 20 7090 1120 | US: (203) 325 8004 | Singapore: +65 6535 5189

Shanghai: +86 21 6335 4002 | Mumbai: +91 22 4881 8900

info@freightinvestor.com | www.freightinvestorservices.com