



NEWS RELEASE

ICE Announces Rapid Growth in Marine Fuel and Wet Freight Complex a Year on From IMO 2020

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Marine Fuel OI up 75% y/y as customers adopt it for hedging

Wet Freight hits record OI of more than 106,000 lots

2.3 billion barrels of marine fuel and 600 million tonnes of wet freight traded on ICE in 2020

LONDON & NEW YORK & SINGAPORE--(BUSINESS WIRE)-- Intercontinental Exchange, Inc. (NYSE:ICE), a leading operator of global exchanges and clearing houses and provider of mortgage technology, data and listings services, announced record growth across its Marine Fuel and Wet Freight complex, a year on from the implementation of the sulphur cap by the International Maritime Organization (IMO) in January 2020.

The IMO regulation requires ships to use fuel oil with a maximum sulphur content of 0.5% versus the previous limit of 3.5%. Since February 2019, ICE has launched a series of cash settled Marine Fuel products which settle against the S&P Global Platts' physical Marine Fuel 0.5% assessments, including a further 15 contracts which launched in December 2020. Today, the complex is comprised of approximately 50 different Marine Fuel contracts, offering customers the widest selection of tools available to hedge their marine fuel exposure, all of which trade and clear alongside the global benchmark for refined products, ICE Low Sulphur Gasoil.

In an increasingly volatile pricing environment globally, companies are choosing to hedge their underlying exposure to marine and freight markets. Since February 2019, Open Interest across Marine Fuel has grown to a record of more than 270 million barrels equivalent on February 23, 2021, with traded volumes up more than 115% year-over-year.

Customers are trading ICE Marine Fuel contracts as outright futures, time spreads, differentials to High Sulphur Fuel Oil, Brent, or Low Sulphur Gasoil. So called "5GOs" - where customers trade 0.5% Marine Fuel Differentials to ICE Low Sulphur Gasoil - are increasingly used. Since launch in December 2020, more than 18,000 lots of 5GOs have traded, equivalent to a notional value of 115 million barrels of marine fuel.

Alongside this, ICE is seeing record activity in the Wet Freight complex, which hit a series of Open Interest records through February as the market increasingly pre-hedges future exposure to freight markets. Customers use Wet Freight futures and options to manage price risk associated with shipping oil and Open Interest stands at a record of more than 106,000 lots, equivalent to more than 106 million tonnes. In February, Cal25 trades in Wet Freight took place for the first time reflecting how as liquidity grows, customers are comfortable taking positions as far out as 2025.

"Just over a year on from IMO 2020 implementation, we are seeing record growth across our Marine Fuel and Wet Freight contracts as refiners, shippers and trading companies from every continent across the world turn to these products to hedge exposure to global oil and maritime markets," said Jeff Barbuto, Global Head of Oil Markets at ICE. "Maritime transport is central to the global economy, with an estimated 80% of world trade carried by sea. This means that our customers need a wide range of precise tools to help them hedge their shipping fuel exposure and as these markets get more liquid, it attracts participants to explore using these instruments to manage risk."

About Intercontinental Exchange

Intercontinental Exchange (NYSE: ICE) is a Fortune 500 company and provider of marketplace infrastructure, data services and technology solutions to a broad range of customers including financial institutions, corporations and government entities. We operate regulated **marketplaces**, including the **New York Stock Exchange**, for the listing, trading and **clearing** of a broad array of derivatives contracts and financial securities across major asset classes. Our comprehensive **data services** offering supports the trading, investment, risk management and connectivity needs of customers around the world and across asset classes. As a leading technology provider for the U.S. residential mortgage industry, **ICE Mortgage Technology** provides the technology and infrastructure to transform and digitize U.S. residential mortgages, from application and loan origination through to final settlement.

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ICE Media Contact:

Rebecca Mitchell

Rebecca.Mitchell@theice.com

+44 7951 057 351

ICE Investor Contact:

Warren Gardiner

Warren.Gardiner@theice.com

770-835-0114

Source: Intercontinental Exchange