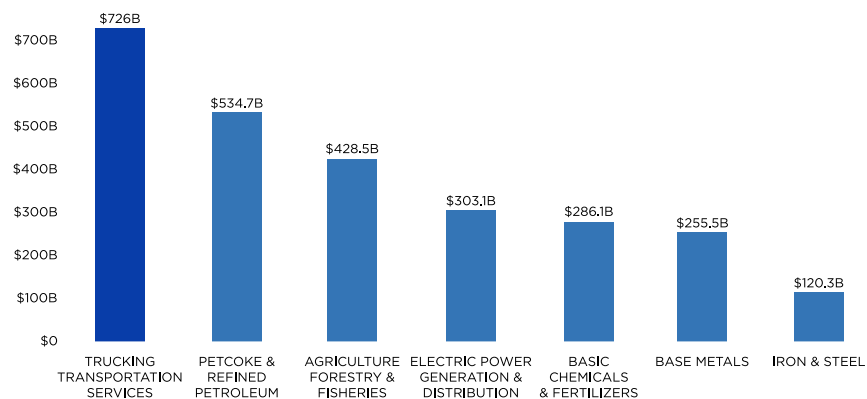


# TRUCKING FREIGHT FUTURES

Freight markets are constantly evolving due to digitization and new technology, regulatory and trade environments, domestic and global economic drivers. These factors are driving significant market volatility while also creating significant opportunities. If a product is going somewhere in the U.S., 7 out of 10 times it is getting there on a truck. With a market size of \$726 billion, trucking is one of the largest industries in the U.S.



*Data source: Oxford Economics. Information based on forecasted 2017 revenue estimations for each industry sector.*

Nodal Exchange will be listing the world's first trucking freight futures contracts in collaboration with FreightWaves, the leading provider of market data and analytics for the North American freight market. The contracts will be financially settled against DAT®'s industry-leading spot rate indices.

Market size is estimated at approximately 40 billion miles that are subject to spot market rate volatility, which could be hedged using trucking freight futures. The addressable market represents approximately 40 million futures contracts.

IN PARTNERSHIP WITH

**> nodal**

**DAT**

**FREIGHTWAVES**



## Trucking Freight Futures

- Trucking Freight Futures contracts provide risk management solutions for businesses with exposure to the trucking freight market, including:
  - Carriers
  - Shippers
  - Third-Party Logistics Companies
  - Financial Institutions
- Futures contracts can be traded on Nodal Exchange both on a central limit order book and via block trades.
- All transactions on Nodal Exchange are cleared through Nodal Clear, using its award-winning portfolio margining methodology.
- Nodal Clear Risk Management tools, including portfolio margin limits and position limits, will be available for trucking freight market participants.

## DAT<sup>®</sup> Van Freight Rate Indices

- DAT<sup>®</sup> will publish daily spot dry van rates in USD per mile for seven directional lanes from which there will be three calculated regional indices and one calculated national average.

Expanded Market Area (XMA)	3-Digit Zip Codes
Los Angeles	900-908, 910-928, 930-931
Seattle	980-986, 988-989
Dallas	750-762, 766-767
Chicago	463-464, 600-611, 613
Atlanta	300-312, 399
Philadelphia	080-086, 173-176, 179-181, 189-198, 219

Index Name	Contract Code	Pickup XMA	Delivery XMA
LAX to SEA Long Haul Van	VLS	Los Angeles	Seattle
SEA to LAX Long Haul Van	VSL	Seattle	Los Angeles
LAX to DAL Long Haul Van	VLD	Los Angeles	Dallas
DAL to LAX Long Haul Van	VDL	Dallas	Los Angeles
CHI to ATL Long Haul Van	VCA	Chicago	Atlanta
ATL to PHL Long Haul Van	VAP	Atlanta	Philadelphia
PHL to CHI Long Haul Van	VPC	Philadelphia	Chicago

## Regional and National Methodology

Index Name	Contract Code	Pickup XMA
West US Long Haul Van	VWU	(LAX to SEA Long Haul Van + SEA to LAX Long Haul Van) / 2
South US Long Haul Van	VSU	(LAX to DAL Long Haul Van + DAL to LAX Long Haul Van) / 2
East US Long Haul Van	VEU	(CHI to ATL Long Haul Van + ATL to PHI Long Haul Van + PHI to CHI Long Haul Van) / 3
National US Long Haul Van	VNU	(West US Long Haul Van + South US Long Haul Van + East US Long Haul Van) / 3

## Contract Specifications

### Monthly Truckload Freight Contract (DAT®)

Item	Specification
Contract Description	Monthly Cash Settled Truckload Freight Financial Contract (DAT®)   LAX to SEA Long Haul Van; SEA to LAX Long Haul Van; LAX to DAL Long Haul Van; DAL to LAX Long Haul Van; CHI to ATL Long Haul Van; ATL to PHI Long Haul Van; PHI to CHI Long Haul Van; West US Long Haul Van; South US Long Haul Van; East US Long Haul Van or National US Long Haul Van
Contract Code	VLS; VSL; VLD; VDL; VCA; VAP; VPC; VWU; VSU; VEU or VNU
Hours of Trading	As defined at <a href="http://www.nodalexchange.com">http://www.nodalexchange.com</a>
Unit of Trading	1 lot
Lot Size	1,000 Miles
Currency	US Dollars
Minimum Tick	\$0.001 per mile
Settlement Price Precision	\$0.001 per mile
Last Trading Day	The last business day of the month
Contract Series	16 months
Fixed Price	The traded price of the previous day's settlement price
Daily Settlement Price	Determined by the Exchange based on exchange activity, other market data, and extrapolation to traded contracts, as appropriate
Final Settlement Price	The final settlement price is the average of the Origin Point to Destination Point Van Rate Index published daily by DAT® starting from the first business day of the month through the last business day, inclusive.
Final Settlement (Payment) Date	The ninth business day following the Last Trading Day
Spot Month Position Limit	TBD Lots
Margin Limit	US Dollars

## Member Access Information

Firms wishing to trade Trucking Freight Futures must meet the Eligible Contract Participant (ECP) standards set forth by the Commodities Exchange Act (CEA), satisfy all other criteria set forth by the Nodal Exchange Rulebook and Participant Agreement, and have an eligible clearing account with one of Nodal Clear's registered Futures Commissions Merchant (FCM). For additional information on trading on Nodal Exchange contact (703) 962-9820 or [markets@nodalexchange.com](mailto:markets@nodalexchange.com).

## About Nodal

Nodal Exchange is a derivatives exchange providing price, credit and liquidity risk management solutions to participants in the North American energy markets. Nodal Exchange is a leader in innovation, having introduced the world's largest set of electric power locational (nodal) futures contracts. Nodal Exchange currently offers over 1,000 power and gas contracts on hundreds of unique locations, providing the most effective basis risk management to its energy market participants. Nodal is now innovating the trucking freight industry by introducing the world's first trucking freight futures contracts. All Nodal Exchange contracts are cleared by its wholly owned subsidiary, Nodal Clear, which is a U.S. Commodity Futures Trading Commission (CFTC) registered derivatives clearing organization. Nodal Exchange is a designated contract market regulated by the CFTC. Nodal is part of the EEX group, a group of companies serving international commodity markets.

## About DAT®

DAT® operates the largest truckload freight marketplace in North America. Transportation brokers, carriers, news organizations and industry analysts rely on DAT® for market trends and data insights derived from 256 million freight matches in 2018, and a database of \$60 billion of market transactions.

## About FreightWaves

FreightWaves is the industry leading provider of news, data and market analysis for the freight and logistics industries. The company's news site, [freightwaves.com](http://freightwaves.com), is the number one freight and logistics news site globally and receives 2.7X more on-site engagement than any other freight-related news site. The company's SaaS product, SONAR, is the industry's first and only freight market data and analytics platform. In partnership with Nodal Exchange and DAT®, FreightWaves is developing the world's first financially settled Trucking Freight Futures contracts launching on March 29, 2019. FreightWaves' core customers are both freight industry professionals and financial institutions with direct and indirect exposure to the freight or related markets.



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