

Launch New index seeks to report an open and transparent representation of the market

MB alumina index fob Australia

LONDON
BY CAMERON HUNT

Metal Bulletin is the leading independent supplier of market intelligence and pricing to the global metals industries. MB's alumina index is an accurate representation of the Alumina spot market, based on a tonnage weighted calculation of actual trades which have been normalised to a base specification and location, utilising the established and leading MB Index methodology.

The MB alumina index fobAustralia is based on actual transactions, which are reported to MB by any market participant who is conducting trades in the spot alumina market.

MB is totally impartial, and seeks to report an open and transparent representation of the market.

MB has no financial or other interest in the level or direction of the Index.

The details below are the base target specification. Material that differs from the base specification but falls into other grades will be normalised back to the base specification grade of smelter/metallurgical grade alumina.

In addition, trades will be normalised for freight based on port of loading. Trades will be adjusted for loading in regional ports other than Bunbury before normalisation for grade (if required). The freight normalisation will be based on the relevant freight route, with data supplied by a leading global freight broker.

Data will be collected from Monday 08:00 until Friday 12.00pm London time. The index will be published on Friday at 1.00pm London time. Data will be collected from all market participants who are engaged in conducting alumina spot market business, and will not be restricted to a panel or selected group of price setters.

Price	US\$ per metric tonne, fob Bunbury
Specifications	Smelter/Metallurgical grade alumina, min purity of 98.5% Al₂O₃
Loading port	Bunbury/Kwinana
Other ports	Other loading ports normalised to Bunbury
Material destination	All destinations
Trade size	Minimum 5,000 tonnes
Loading window	Within two months
Delivery method	Bulk carrier
Payment	30 days after loading



Metal Bulletin Alumina Index

Accuracy

Three sub-indices will be created, based on data received from producers, traders/brokers, and consumers. The sub-indices will be based on a tonnage weighted average of the normalised (grade and freight) trade information, and the three indices combined with equal weighting to ensure that the market is fairly represented across all participants. Only the final index will be published.

All data points that fall greater than 4% away from the calculated index will be excluded, and the index recalculated to a single iteration. Outliers will be investigated, and attempts to influence the index unfairly will result in the data provider being warned or excluded.

The number of trades available for use in the Index will of course vary depending on the market

conditions prevailing, but MB will seek to utilise as many trades as possible. Where insufficient transactions have taken place in the market, assessments, bids and offers from market participants may be included in the index calculation.

Data will be submitted in a secure manner by phone and email. All correspondence will be stored by Metal Bulletin.

The data collection and index calculation will be auditable by a recognised and accepted third party auditor.

Notes

In the event of public holidays in the UK, the index will be published on the previous working day. As a result of technical difficulties or other unforeseen problems, the index will be published from our Singapore office or New York office, as appropriate.

About Metal Bulletin

Metal Bulletin has reported on metals and raw materials prices since the first magazine was published in 1916.

Now Metal Bulletin is a global multi-media publisher, carrying over 700 prices on products in the steel, base metals and raw materials markets. Our sister publication AMM is the clear market leader in North America. Metal Bulletin has divisions which focus on publishing (MB, MBM, Industrial Minerals), consultancy and research (MBR), Indices (MBI), events and reference books.

Metal Bulletin is part of the Euromoney Institutional Investor family, which is itself majority owned by DMGT, a very large diversified media group with revenues in 2008 of £2.3billion and had more than 17,000 employees.