

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

MB scrap index cfr India

LONDON
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Metal Bulletin is the leading independent supplier of market intelligence and pricing to the global metals industries. MB's scrap index is the most accurate representation of the scrap market globally, and utilises the established and leading MB Index methodology. The MB Index is a tonnage weighted calculation of actual transactions which are normalised to a base specification of chemistry and delivery point.

The MB Ferrous Scrap Index India is based on transactions which are reported to MB by any market participant who is conducting trades on a cfr India basis. 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 of shredded material, based on the value-in-use applied by the market for each material. The main grades normalised are listed in the specifications. Other grades may be added as the market develops or at the request of market participants if sufficient tonnage is seen.

In addition, trades will be normalised for freight based on port of delivery. Trades will be adjusted for delivery into Indian ports other than Nhava Sheva before normalisation for grade. The freight normalisation will be based on the relevant freight route, with data supplied by a leading global freight broker.

The index will be published on Friday at 13.00 London time. Data will be collected from all market participants who are engaged in conducting ferrous scrap business on a cfr India basis, and will not be

Price	US\$ per metric tonne, cfr Nhava Sheva
Specifications	Shredded material, compliant to ISRI specifications 210–212
Other grades normalised	HMS 1&2 (80/20 mix), HMS 1&2 (70/30 mix), HMS 1&2 (90/10 mix), HMS 1, Bonus Grade, P&S, and A3
Material origin	All origins
Trade size	Minimum 1,000 tonnes
Delivery window	Within six weeks
Delivery method	Seaborne
Payment terms	Cash, other payment terms normalised to basis
Publication time	Friday 13.00 London time

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restricted to a panel or selected group of price setters.

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 will 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

The normalisation coefficients for different grades will be updated four times a year at the end of each quarter and will be based on data collected over the previous three months.

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.