

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

Ferrous scrap Turkey index methodology

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 import market into Turkey, and utilises the established and leading MB Index methodology.

The index is based on actual transactions, which are reported to MB by any market participant who is conducting trades on a cfr Turkey 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 grade of HMS 1&2 (80:20 mix), 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 Turkish ports other than Iskenderun before normalisation for grade. 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 11.00am London time. The index will be published on Friday at 12.00 London time.

Data will be collected from all market participants who are engaged in conducting ferrous scrap business on a cfr Turkey basis, and will not be restricted to

Price	US\$ per metric tonne, cfr Iskenderun
Specifications	HMS 1&2 (80:20 mix) compliant to ISRI specifications 200–206
Other Grades Normalised	Shredded, 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 5,000 tonnes
Delivery window	Within six weeks
Delivery Method	Bulk carrier
Payment Terms	Cash



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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.