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## ***ARGUS FERROUS MARKETS***

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The most up-to-date Argus Ferrous Markets methodology is available on [www.argusmedia.com](http://www.argusmedia.com)

## Methodology overview

### Methodology rationale

Argus strives to construct methodologies that reflect the way the market trades. Argus aims to produce price assessments which are reliable and representative indicators of commodity market values and are free from distortion. As a result, the specific currencies, volume units, locations and other particulars of an assessment are determined by industry conventions.

In the iron ore, coking coal, metallurgical coke, PCI, ferrous scrap, pig iron, steel and stainless steel markets, Argus publishes physical market prices in the open market as laid out in the specifications and methodology guide. Argus uses the trading period deemed by Argus to be most appropriate, in consultation with industry, to capture market liquidity.

In order to be included in the assessment process, deals must meet the minimum volume, delivery, timing and specification requirements in our methodology. In illiquid markets, and in other cases where deemed appropriate, Argus assesses the range within which product could have traded by applying a strict process outlined later in this methodology.

### Survey process

Argus price assessments are informed by information received from a wide cross section of market participants, including producers, consumers and intermediaries. Argus reporters engage with the industry by proactively polling participants for market data. Argus will contact and accept market data from all credible market sources including front and back office of market participants and brokers. Argus will also receive market data from electronic trading platforms and directly from the back offices of market participants. Argus will accept market data by telephone, instant messenger, email or other means.

Argus encourages all sources of market data to submit all market data to which they are a party that falls within the Argus stated methodological criteria for the relevant assessment. Argus encourages all sources of market data to submit transaction data from back office functions.

Throughout all markets, Argus is constantly seeking to increase the number of companies willing to provide market data. Reporters are mentored and held accountable for expanding their pool of contacts. The number of entities providing market data can vary significantly from day to day based on market conditions.

For certain price assessments identified by local management, if more than 50pc of the market data involved in arriving at a price assessment is sourced from a single party the supervising editor will engage in an analysis of the market data with the primary reporter to ensure that the quality and integrity of the assessment has not been affected.

### Market data usage

In each market, Argus uses the methodological approach deemed to be the most reliable and representative for that market. Argus will utilise various types of market data in its methodologies, to include:

- Transactions
- Bids and offers
- Other market information, to include spread values between grades, locations, timings, and many other data.

In many markets, the relevant methodology will assign a relatively higher importance to transactions over bids and offers, and a relatively higher importance to bids and offers over other market information. Certain markets however will exist for which such a hierarchy would produce unreliable and non-representative price assessments, and so the methodology must assign a different relative importance in order to ensure the quality and integrity of the price assessment. And even in markets for which the hierarchy normally applies, certain market situations will at times emerge for which the strict hierarchy would produce non-representative prices, requiring Argus to adapt in order to publish representative prices.

### Verification of transaction data

Reporters carefully analyse all data submitted to the price assessment process. These data include transactions, bids, offers, volumes, counterparties, specifications and any other information that contributes materially to the determination of price. This high level of care described applies regardless of the methodology employed. Specific to transactions, bids, and offers, reporters seek to verify the price, the volume, the specifications, location basis, and counterparty. In some transactional average methodologies, reporters also examine the full array of transactions to match counterparties and arrive at a list of unique transactions. In some transactional average methodologies, full details of the transactions verified are published electronically and are accessible by subscribers. The deals are also published in the daily report.

Several tests are applied by reporters in all markets to transactional data to determine if it should be subjected to further scrutiny. If a transaction has been identified as failing such a test, it will receive further scrutiny. For assessments used to settle derivatives and for many other assessments, Argus has established internal procedures that involve escalation of inquiry within the source's company and escalating review within Argus management. Should this process determine that a transaction should be excluded from the price assessment process, the supervising editor will initiate approval and, if necessary, documentation procedures.

### Primary tests applied by reporters

- Transactions not transacted at arm's length, including deals between related parties or affiliates.
- Transaction prices that deviate significantly from the mean of all transactions submitted for that day.
- Transaction prices that fall outside of the generally observed lows and highs that operated throughout the trading day.
- Transactions that are suspected to be a leg of another transaction or in some way contingent on an unknown transaction.

- Single deal volumes that significantly exceed the typical transaction volume for that market.
- Transaction details that are identified by other market participants as being for any reason potentially anomalous and perceived by Argus to be as such.
- Transaction details that are reported by one counterparty differently than the other counterparty.
- Any transaction details that appear to the reporter to be illogical or to stray from the norms of trading behaviour. This could include but is not limited to divergent specifications, unusual delivery location and counterparties not typically seen.
- Transactions that involve the same counterparties, the same price and delivery dates are checked to see that they are separate deals and not one deal duplicated in Argus records.

### Secondary tests applied by editors for transactions identified for further scrutiny

#### Transaction tests

- The impact of linkage of the deal to possible other transactions such as contingent legs, exchanges, options, swaps, or other derivative instruments. This will include a review of transactions in markets that the reporter may not be covering.
- The nature of disagreement between counterparties on transactional details.
- The possibility that a deal is directly linked to an offsetting transaction that is not publicly known, for example a “wash trade” which has the purpose of influencing the published price.
- The impact of non-market factors on price or volume, including distressed delivery, credit issues, scheduling issues, demurrage, or containment.

#### Source tests

- The credibility of the explanation provided for the outlying nature of the transaction.
- The track record of the source. Sources will be deemed more credible if they
  - Regularly provide transaction data with few errors.
  - Provide data by Argus’ established deadline.
  - Quickly respond to queries from Argus reporters.
  - Have staff designated to respond to such queries.
- How close the information receipt is to the deadline for information, and the impact of that proximity on the validation process.

### Assessment guidelines

When insufficient, inadequate, or no transaction information exists, or when Argus concludes that a transaction based methodology will not produce representative prices, Argus reporters will make an assessment of market value by applying intelligent judgment based on a broad array of factual market information. Reporters must use a high degree of care in gathering and validating all market data used in determining price assessments, a degree of care equal to that applying to gathering and validating transactions. The information used to form an assessment could include deals done, bids,

offers, tenders, spread trades, exchange trades, fundamental supply and demand information and other inputs.

The assessment process employing judgment is rigorous, replicable, and uses widely accepted valuation metrics. These valuation metrics mirror the process used by physical commodity traders to internally assess value prior to entering the market with a bid or offer. Applying these valuation metrics along with sound judgment significantly narrows the band within which a commodity can be assessed, and greatly increases the accuracy and consistency of the price series. The application of judgment is conducted jointly with the supervising editor, in order to be sure that guidelines below are being followed. Valuation metrics include the following:

#### Relative value transactions

Frequently transactions occur which instead of being an outright purchase or sale of a single commodity, are instead exchanges of commodities. Such transactions allow reporters to value less liquid markets against more liquid ones and establish a strong basis for the exercise of judgment.

- Exchange one commodity for a different commodity in the same market at a negotiated value.
- Exchange delivery dates for the same commodity at a negotiated value.
- Exchange a commodity in one location for the same commodity at another location at a negotiated value.

#### Bids and offers

If a sufficient number of bids and offers populate the market, then in most cases the highest bid and the lowest offer can be assumed to define the boundaries between which a deal could be transacted.

#### Comparative metrics

- The relative values between compared commodities are readily discussed in the market and can be discovered through dialogue with market participants. These discussions are the precursor to negotiation and conclusion of transactions.
- Comparison to the same commodity in another market centre.
- Comparison to a more actively traded but slightly different specification commodity in the same market centre.
- Comparison to the same commodity traded for a different delivery timing.
- Comparison to the commodity’s primary feedstock or primary derived product(s).
- Comparison to trade in the same commodity but in a different modality (as in barge versus oceangoing vessel) or in a different total volume (as in full cargo load versus partial cargo load).

#### Volume minimums and transaction data thresholds

Argus typically does not establish thresholds strictly on the basis of a count of transactions, as this could lead to unreliable and non-representative assessments and because of the varying transportation infrastructure found in all commodity markets. Instead, minimum volumes are typically established which may apply to each transaction accepted, to the aggregate of transac-

tions, to transactions which set a low or high assessment or to other volumetrically relevant parameters.

For price assessments used to settle derivatives, Argus will seek to establish minimum transaction data thresholds and when no such threshold can be established Argus will explain the reasons. These thresholds will often reflect the minimum volumes necessary to produce a transaction-based methodology, but may also establish minimum deal parameters for use by a methodology that is based primarily on judgment.

Should no transaction threshold exist, or should submitted data fall below this methodology's stated transaction data threshold for any reason, Argus will follow the procedures outlined elsewhere in this document regarding the exercise of judgment in the price assessment process.

### Transparency

Argus values transparency in energy markets. As a result, where available, we publish lists of deals in our reports that include price, basis, counterparty and volume information. The deal tables allow subscribers to cross check and verify the deals against the prices. Argus feels transparency and openness is vital to developing confidence in the price assessment process.

### Swaps and forwards markets

Argus publishes forward assessments for numerous markets. These include forward market contracts that can allow physical delivery and swaps contracts that swap a fixed price for the average of a floating published price. Argus looks at forward swaps to inform physical assessments but places primary emphasis on the physical markets.

### Publications and price data

Argus iron ore, coking coal, metallurgical coke, PCI, ferrous scrap, pig iron, steel and stainless steel prices are published in the Argus Ferrous Markets report. Subsets of these prices appear in other Argus market reports and newsletters in various forms. The price data are available independent of the text-based report in electronic files that can feed into various databases. These price data are also supplied through various third-party data integrators. The Argus website also provides access to prices, reports and news with various web-based tools. All Argus prices are kept in a historical database and available for purchase. Contact your local Argus office for information.

A publication schedule is available at [www.argusmedia.com](http://www.argusmedia.com)

### Corrections to assessments

Argus will on occasion publish corrections to price assessments after the publication date. We will correct errors that arise from clerical mistakes, calculation errors, or a misapplication of our stated methodology. Argus will not retroactively assess markets based on new information learned after the assessments are published. We make our best effort to assess markets based on the information we gather during the trading day assessed.

### Ethics and compliance

Argus operates according to the best practices in the publishing field, and maintains thorough compliance procedures throughout the firm. We want to be seen as a preferred provider by our sub-scribers, who are held to equally high standards, while at the same time maintaining our editorial integrity and independence. Argus has a strict ethics policy that applies to all staff. The policy can be found on our website at [www.argusmedia.com](http://www.argusmedia.com). Included in this policy are restrictions against staff trading in any energy commodity or energy related stocks, and guidelines for accepting gifts. Argus also has strict policies regarding central archiving of email and instant messenger communication, maintenance and archiving of notes, and archiving of spreadsheets and deal lists used in the price assessment process. Argus publishes prices that report and reflect prevailing levels for open-market arms length transactions (please see the [Argus Global Compliance Policy](#) for a detailed definition of arms length).

### Consistency in the assessment process

Argus recognises the need to have judgment consistently applied by reporters covering separate markets, and by reporters replacing existing reporters in the assessment process. In order to ensure this consistency, Argus has developed a programme of training and oversight of reporters. This programme includes:

- A global price reporting manual describing among other things the guidelines for the exercise of judgment
- Cross-training of staff between markets to ensure proper holiday and sick leave backup. Editors that float between markets to monitor staff application of best practices
- Experienced editors overseeing reporting teams are involved in daily mentoring and assisting in the application of judgment for illiquid markets

Editors are required to sign-off on all price assessments each day, thus ensuring the consistent application of judgment.

### Review of methodology

The overriding objective of any methodology is to produce price assessments which are reliable and representative indicators of commodity market values and are free from distortion. As a result, Argus editors and reporters are regularly examining our methodologies and are in regular dialogue with the industry in order to ensure that the methodologies are representative of the market being assessed. This process is integral with reporting on a given market. In addition to this ongoing review of methodology, Argus conducts reviews of all of its methodologies and methodology documents on at least an annual basis.

Argus market report editors and management will periodically and as merited initiate reviews of market coverage based on a qualitative analysis that includes measurements of liquidity, visibility of market data, consistency of market data, quality of market data and industry usage of the assessments. Report editors will review:

- Appropriateness of the methodology of existing assessments
- Termination of existing assessments
- Initiation of new assessments.

The report editor will initiate an informal process to examine viability. This process includes:

- Informal discussions with market participants
- Informal discussions with other stakeholders
- Internal review of market data

Should changes, terminations, or initiations be merited, the report editor will submit an internal proposal to management for review and approval. Should changes or terminations of existing assessments be approved, then formal procedures for external consultation are begun.

### Changes to methodology

Formal proposals to change methodologies typically emerge out of the ongoing process of internal and external review of the methodologies. Formal procedures for external consultation regarding material changes to existing methodologies will be initiated with an announcement of the proposed change published in the relevant Argus report. This announcement will include:

- Details on the proposed change and the rationale
- Method for submitting comments with a deadline for submissions
- For prices used in derivatives, notice that all formal comments will be published after the given consultation period unless submitter requests confidentiality.

Argus will provide sufficient opportunity for stakeholders to analyse and comment on changes, but will not allow the time needed to follow these procedures to create a situation wherein unrepresentative or false prices are published, markets are disrupted, or market participants are put at unnecessary risk. Argus will engage with industry throughout this process in order to gain acceptance of proposed changes to methodology. Argus cannot however guarantee universal acceptance and will act for the good order of the market and ensure the continued integrity of its price assessments as an overriding objective.

Following the consultation period, Argus management will commence an internal review and decide on the methodology change. This will be followed by an announcement of the decision, which will be published in the relevant Argus report and include a date for implementation. For prices used in derivatives, publication of stakeholders' formal comments that are not subject to confidentiality and Argus' response to those comments will also take place.

## The report

Argus Ferrous Markets publishes daily and weekly price assessments for iron ore fines and lump, coking coal, metallurgical coke, PCI, finished steel, ferrous scrap, pig iron, and ferro-alloys.

A subset of Asia-Pacific prices are also published in the Argus Iron Ore Bulletin at the end of the Asia-Pacific day.

### Reporting team

The Argus Ferrous Markets team consists of specialist market reporters and analysts in Beijing, Shanghai, Singapore, Sydney, London, Moscow, Kiev, Houston and Washington, DC, drawing on Argus' global network of correspondents.

### Survey process

Argus considers a broad range of information in assessing the price of iron ore fines, coking coal and ferrous scrap each day.

This includes information on fixed-price physical deals, market premiums, market discounts, reported but unconfirmed trades, tender results, bids, offers, and supply and demand fundamentals.

Deals concluded through electronic trading platforms are included in the assessments of prevailing market prices, provided they meet all relevant criteria for the physical commodity.

A balance is maintained in the survey between sellers, buyers and trading companies. The approach is methodical and standardised, and the assessments are tested against the views of other market participants.

Deals must be considered repeatable to be reflected in the assessments. All information is taken into account.

### Exclusions

Argus applies editorial judgment to surveys of the market. Transactions that appear to be significantly above or below the market will be excluded before the final volume-weighted average is calculated. Transactions that have non-standard terms will also be excluded.

### Source data

Argus welcomes transaction data and survey input from all market participants. We strongly encourage full disclosure of all relevant details of all deals concluded. All information received is cross-checked and tested against other market information. Any anomalies will be excluded.

## Iron ore

### Seaborne iron ore assessments

Argus Ferrous Markets contains assessments of cfr prices for various grades of iron ore fines, lump and pellets delivered to northern China (Qingdao) including the Argus ICX™ assessment for 62pc Fe Chinese seaborne iron ore imports, and a 62pc Fe lump premium to the Argus ICX™ assessment.

Prices are assessed in US dollars per dry tonne.

The base specifications of the iron ore grades are listed in the international iron ore specifications table below. These specifications standardise the assessments around key criteria relating to contract basis and location, Fe content, timing, contaminant levels and parcel size.

### Basis of assessments

Assessments are based on a volume-weighted average of normalised market information, with fixed-price transactions assigned the most weight followed by floating-priced trades, matched platform bids and offers, and in the absence of sufficient transaction or order information, other market information including a survey of bilateral bids, offers and indicative market values.

Assessments are of spot prices for delivery within 2-8 weeks. Deals within the 2-8 week window will be normalised to a five-week delivery.

The timing adjustment is calculated from the shape of the futures forward curve. During periods of steep market contango or backwardation, Argus may also consider the shape of the physical forward curve in determining timing adjustments.

### Rounding

Asia-Pacific iron ore price assessments are rounded to the nearest 5¢/dmt for outright prices and to nearest 0.01¢/dmtu for the lump premium.

## Argus ICX index components and validation

### Fixed-price trades

Fixed-price spot transactions, meeting ICX index specifications, concluded either bilaterally or on electronic trading platforms such as COREX and globalORE, will be normalised to the ICX specification using value-in-market adjustments to normalise for deviations of Fe gangue elements, impurities and physical parameters. These will be attributed full volume-weighting in a volume-weighted average.

### Floating-price trades

Validated floating-price, or index-linked spot transactions have become a feature of the modern iron ore market. Floating-price trades will be converted to current, fixed prices using the forward price curve on the day of trade, and normalised to the ICX specification. These would be included at a volume weighting of 50% of total volume.

### Matched bids and offers

Firm, matching bids and offers made on electronic trading platforms will be included in the ICX index calculation. The best bid/offer pair (the highest bid and lowest offer) for each cargo, delivery period and electronic trading venue will be normalised to the ICX specification for inclusion in the index at a volume weighting of 20% of the total cargo volume.

### Minimum volumes and other market information

In the event that seven or more trades (fixed or floating price) and/or matched bid/offer pairs are reported for a given publication date, Argus will calculate a volume-weighted average of those prices, which will form the ICX index.

If there is insufficient data, as described above, to generate a robust index, fixed and/or floating trades and matched bid/offer pair order data will be supplemented by firm bilateral bids and offers and indicative data at a volume weighting of 5% of total volume.

## International iron ore specifications

	58% Fe fines, cfr Qingdao	62% Fe fines, cfr Qingdao (ICX™)	65% Fe fines, cfr Qingdao	62% Fe lump, cfr Qingdao	62% PCX seaborne equivalent
Fe content (%)	58	62	65	62	62
<b>Gangue elements</b>					
SiO <sub>2</sub> (%)	6.0	3.75	3.5	3.5	3.75
Al <sub>2</sub> O <sub>3</sub> (%)	2.75	2.25	1.9	1.5	2.25
<b>Impurities</b>					
Phosphorus (%)	0.09	0.1	0.06	0.08	0.1
Sulphur (%)	0.05	0.02	0.02	0.02	0.02
<b>Physical parameters</b>					
Moisture (%)	10	8	8	4	8
Grain size	10% >6.3mm and 12% <0.15mm	10% >6.3mm and 15% <0.15mm	16% >6.3mm and 20% <0.15mm	max 15pc <6.3mm max 25pc >31.5mm	10% >6.3mm and 15% <0.15mm
Parcel (minimum)	40,000t	40,000t	40,000t	40,000t	na
Delivery period	2-8 weeks	2-8 weeks	2-8 weeks	2-8 weeks	na
Assessment frequency	weekly	daily	daily	daily	daily

### Validation of market information

Argus evaluates all information (trades, market orders and the response to market surveys), whether or not that information is included in the final index calculation. A series of statistical cross-checks is employed by Argus analysts in considering market information for inclusion in the index calculation.

### Specifications

Argus iron ore assessments are for iron ore cargoes with the typical specifications described in the specifications table. Argus focuses on cargoes that correspond with the most traded qualities of iron ore in the Chinese spot iron ore market.

#### Specifically:

- 63.5-66pc Fe fines are eligible for inclusion in the 65pc assessment
- 59-63.5pc Fe fines are eligible for inclusion in the Argus ICX assessment (62pc)
- 56-59pc Fe fines are eligible for inclusion in the 58pc assessment

### Normalisation

Argus produces iron ore assessments that correspond to base specifications. Deals that differ from the typical terms and conditions of the base specification are normalised before inclusion in the volume-weighted trade average.

Factors that Argus takes into account include payment terms, brand, delivery terms and loading window, size of parcel, chemical composition of the parcel, and delivery date, based on loading time and average shipping time.

For the ICX index Argus normalises transactions to the 28th calendar day from the assessment date (four weeks from the date of the transaction) using the daily shape of the forward curve. The shape of the forward curve is established using trades, bids and offers for each of the current month (M0), first- (M1) and second- (M2) full month futures contracts on the SGX exchange between 4pm and 5pm, inclusive, Singapore time. In the absence of sufficient SGX market information, OTC swaps curves will be considered for inclusion in the assessment of the shape of the forward curve.

This normalisation includes quality price differentials in the traded market. Completed transactions and market feedback are taken into consideration in determining quality differentials. See the value-in-market adjustments section below.

### Iron ore value-in-market adjustment

Argus Ferrous Markets publishes daily value-in-market (VIM) adjustments for iron (Fe), silica (SiO<sub>2</sub>), alumina (Al<sub>2</sub>O<sub>3</sub>) and phosphorus (P) some of which are used to normalise iron ore products in the range 59-63.5pc Fe to the common ICX 62pc index base specification.

Value-in-market refers to market averages determined by analysis of captured data and should be seen as distinct from value-in-use (VIU), which is specific to individual users.

Adjustments are assessed in \$/dmt for every 1pc change in Fe, silica and alumina and 0.01pc change in phosphorus.

The adjustments are derived from market data captured by Argus in its pricing process.

The analysis will focus on received bids, offers and transactions to identify the key chemical properties driving differences between iron ore brands. Argus will assume a linear relationship between price and quality within the given ranges, and apply a series of adjustment bands where it is not possible to assume a linear relationship beyond a certain range. The ranges for which Argus will apply adjustments are shown in the table below and will be published daily.

The adjustments will only be applied within fixed ranges for which Argus is confident there is sufficient liquidity to determine the applicable adjustment.

Iron ore value-in-market adjustments are published in US dollars per dry tonne:

- per 1% Fe 59-63.5%
- per 1% Fe 63.5-65% - note: published but not used for normalisation to ICX specification
- per 1% SiO<sub>2</sub> <4.5%
- per 1% SiO<sub>2</sub> 4.5-6%
- per 1% SiO<sub>2</sub> >6%
- per 1% Al<sub>2</sub>O<sub>3</sub> 1-2.25%

### Domestic Chinese portside specifications

	62% Fe fines, fot Qingdao port (PCX)	PBF fines, fot Qingdao port	BRBF fines, fot Qingdao port	NHGF fines, fot Qingdao port	SSF fines, fot Qingdao port	PBF fines, fot Caofeidian port	SSF fines, fot Caofeidian port
Fe content (%)	62	typical	typical	typical	typical	typical	typical
<b>Gangue elements</b>							
SiO <sub>2</sub> (%)	3.75	typical	typical	typical	typical	typical	typical
Al <sub>2</sub> O <sub>3</sub> (%)	2.25	typical	typical	typical	typical	typical	typical
<b>Impurities</b>							
Phosphorus (%)	0.1	typical	typical	typical	typical	typical	typical
Sulphur (%)	0.02	typical	typical	typical	typical	typical	typical
<b>Physical parameters</b>							
Moisture (%)	8	typical	typical	typical	typical	typical	typical

- per 1% Al<sub>2</sub>O<sub>3</sub> 2.25-3%
- per 0.1% P <0.08%
- per 0.1% P 0.08-0.1%
- per 0.1% P >0.1%

### Seaborne equivalent

Argus calculates seaborne equivalent prices by removing moisture, port fees and value-added tax from the relevant portside assessment to create a yuan/dmt price. That price is converted into a \$/dmt seaborne-equivalent price.

Seaborne equivalent prices are calculated for:

- SSF Fines, fot Qingdao port
- 62pc Fe Fines, fot Qingdao port (PCX)

SSF and PCX seaborne equivalent prices are published as both outright prices and as differentials to the Argus ICX™ 62pc Fe index.

Argus also publishes the average of the seaborne equivalent 62pc Fe Fines, fot Qingdao port (PCX) and the 62pc Fe Fines, cfr Qingdao (ICX) assessment.

### Fob Australia ICX netback

Argus publishes a daily fob Australia netback price for the Argus ICX 62pc index. The price is calculated by converting the daily WC Australia-N China freight rate from \$/wmt to \$/dmt by removing 8pc moisture and subtracting the freight from the ICX cfr China \$/dmt price.

See the Iron ore freight section below.

### 62pc Fe lump premium

Argus also produces a lump premium to the Argus ICX™ 62pc Fe index, published in €/dry metric tonne unit (€/dmtu). 60-65pc Fe lump cargoes sold during the day are eligible for inclusion in the 62pc premium. An outright lump price is also published.

### 64pc Fe pellet

Argus assesses two weekly prices for 64pc Fe blast furnace pellet on a \$/dmt cfr Qingdao basis. The specifications are listed below.

Seaborne pellet specifications		
	Blast furnace pellet 64% Fe 3% Al cfr Qingdao	Blast furnace pellet 64% Fe 2% Al cfr Qingdao
Fe content (%)	64	64
SiO <sub>2</sub> (%)	4	4
Al <sub>2</sub> O <sub>3</sub> (%)	3	2
Phosphorus (%)	0.05	0.04
Sulphur (%)	0.01	0.01
Compression strength	Base 240 daN, min 230 daN	Base 260 daN
Parcel size	50,000t	
Delivery period	2-8 weeks	
Assessment frequency	Weekly	

## Brand quality adjustments

### Medium-grade

Argus publishes the price of medium-grade iron ore brands as a differential to the ICX index and as outright prices. Differentials are calculated by applying the value-in-market (VIM) quality adjustments and typical brand specifications to the ICX index. The same (VIM) quality adjustments are used to normalise the price of branded product for inclusion in the ICX index.

Prices are published in \$/dmt as differentials to the ICX index and as outright prices on a typical brand specification basis and on a 62pc Fe basis.

#### Differentials and outright prices are published for

- PB Fines (PBF)
- Newman High Grade Fines (NHGF)
- MAC Fines (MACF)
- Jimblebar Fines (JMBF)
- Brazilian Blend Fines (BRBF)

### Low-grade

Argus publishes the price of low-grade iron ore brands (<60% Fe) as a differential to the ICX™ 62pc Fe index and as outright prices.

Outright prices are calculated by applying value-in-market (ViM) adjustments similar to those described above, although the specific ViM adjustments are not published.

#### Differentials and outright prices are published for

- Yandi fines actual basis (YDF)
- Yandi fines 58% basis (YDF58)

### Lump

Argus publishes the price of iron ore lump brands as a lump premium to the Argus ICX™ 62pc Fe index, published in €/dry metric tonne unit (€/dmtu). Premiums are calculated by applying brand and quality adjustments to the Argus 62pc Fe lump premium.

#### Lump premiums are published for

- Newman Blend lump (NBL)
- Pilbara lump (PBL)

### Implied floating premiums

Argus publishes implied floating premiums for the most traded iron ore fines brands. The premiums are against the prompt month (M+1) and are calculated as the difference between the Argus ViM brand outright price and the Argus prompt-month forward price assessment.

#### Floating premiums are published for

- PB Fines (PBF)
- Newman High Grade Fines (NHGF)
- MAC Fines (MACF)
- Jimblebar Fines (JMBF)
- Brazilian Blend Fines (BRBF)
- Yandi fines 62% basis (YDF62)\*



\*The Yandi fines 62% basis implied floating premium is calculated based on the Yandi fines 58% basis outright price, adjusted to a 62% basis assuming a linear relationship between iron content and price.

### Timing of assessment

Transactions completed after the time stamp for physical transactions (6pm Singapore time) or before midnight the same day will not be considered for inclusion in the volume-weighted average for all assessments except 65% Fe fines, cfr Qingdao, which has a 6.15pm Singapore timestamp.

The 62pc Fe lump premium is published daily with a 6pm Singapore timestamp.

The 58pc Fe iron ore fines price is assessed weekly on Monday. Between weekly price assessments, the 58pc assessment will move in line with the Argus ICX™ index.

The 64pc pellet prices are published weekly on Tuesday.

### China portside

Argus assesses free on truck (fot) prices for brands of iron ore fines in the Chinese domestic port market. The base specifications of the iron ore brands are listed in the Domestic Chinese portside brand specifications table below.

These specifications standardise the assessments around key criteria relating to contract basis and location, Fe content, timing, contaminant levels and parcel size.

### Basis of assessments

Assessments are based 90pc on an average of spot transactions and 10pc on a survey of active market participants, including firm bids and offers. In the absence of spot transactions, the assessment will be based entirely on the market survey.

Argus iron ore price assessments are for iron ore brand parcels with the typical specifications described in the Domestic Chinese portside specifications table below. Argus focuses on brands that are the most actively traded in the Chinese portside iron ore secondary market.

Iron ore prices are assessed fully independently from one another. Argus assesses the market price of the branded material, regardless of any changes to the physical properties of the branded product over time.

The minimum size of trades, bids or offers for inclusion in the assessments is 5,000t.

### Rounding

Prices are assessed in Chinese yuan per wet tonne and include a port handling fee and value-added tax.

Portside iron ore price assessments are rounded to the nearest Chinese yuan/wmt.

### China portside 62pc Fe Fines, fot Qingdao port (PCX 62%)

The PCX index is the price of the most liquid mainstream iron ore products, normalised to the listed specification. The price relates solely to iron ore sold in the domestic Chinese market at Qingdao port on a fot basis for loading within the free storage period. Argus also assesses prices for branded iron ore traded at Qingdao and Caofeidian

#### Brands traded at Qingdao and Caofeidian

- PBF - Australian "Pilbara Fines"
- SSF - Australian "Super Special Fines"

#### Brands traded at Qingdao

- BRBF - "Brazilian Blended Fines"
- NHGF - Australian "Newman High Grade Fines"
- PBL - Australian "Pilbara Lump"

Prices are published for each brand as an outright Yn/wmt price and as differentials to the PCX 62pc index.

### Iron ore freight

Argus Ferrous Markets contains iron ore freight rates, published in \$/wmt.

#### Iron ore routes covered

- WC Australia – N China 160,000t Capesize
- Tubarao-Antwerp 160,000t Capesize
- Tubarao-Qingdao 160,000t Capesize
- Saldanha Bay-Qingdao 160,000t Capesize

See the [Argus Freight methodology](#).

### Iron ore forward prices

Argus Ferrous Markets includes forward price assessments for 62pc Fe Chinese imported iron ore.

Price assessments are based on a survey of market participants. Assessments are of prices prevailing in the market at 6pm Singapore time.

Assessments are published for the current month and the following two months. Monthly forward prices roll at the start of each month.

Prices are published for three quarters forward. Quarterly forward prices roll at the start of the second month of each quarter. During the first month of a quarter, prices are published for the current quarter and the first two forward quarters. During the second and third months of a quarter, prices are published for the first three forward quarters.

For example, in April, Argus will publish prices for the second, third and fourth quarter of the year. In May, Argus will publish prices for the third and fourth quarter of the year, and the first quarter of the following year. Prices are also published for two calendar years forward. Calendar year forward prices roll at the start of the new year.

## Coking coal

### Coking coal assessments

Argus Ferrous Markets contains assessments of internationally traded bulk coking coal prices on the spot market, according to the specifications listed in the table below.

#### Basis of assessment

Assessments are based 50pc on a volume-weighted average of deals done and 50pc on a survey of active market participants. In the absence of transactions, the assessment will be based on the market survey.

Argus does not exclusively rely upon transactions to establish market prices.

Information on transactions, bids and offers that lie outside the specifications of timing, size and quality will be taken into account but information that lies within the listed specifications of the assessment will be given most weight. Argus applies editorial judgment to the surveys and will eliminate information that is not judged to be representative of the market in its final assessment of the price.

These specifications standardise the assessment around key criteria relating to cargo size and location, and for coal qualities — free swelling index, reflectance, coke strength, sulphur content, ash, moisture and volatile matter.

Asia-Pacific assessments are of spot prices for loading or delivery within the next 60 days. For prices assessed from the start of the month up to the 14th of the month, the 60-day window refers to the

balance of the current month, and the whole of the first forward months. For prices assessed from the 15th of the month to the end of the month, the 60-day window refers to the whole of the first and second forward months, and excludes the remainder of the current month.

US and Colombian assessments are of spot prices for loading or delivery within the next 90 days.

#### Timing of assessment

Asia-Pacific assessments are the average of the trading day's activity. Transactions completed after the time stamp for physical transactions (5.30pm Singapore time) will not be considered for inclusion in the volume-weighted average.

US assessments are the average of market activity during the 24-hour period ending at 1pm New York time on the day of publication. To be considered for inclusion in the assessment, market information must be received by 1:30pm New York time. Argus will review and make best efforts to include in the assessment process all validated market activity that occurred before 1pm New York time and was received after 1:30pm New York time, but reserves the right to exclude any market data from the process if received after the cut-off time.

Colombian and Rotterdam coking coal prices are assessed on a weekly basis every Tuesday. Transactions completed after the time stamp for physical transactions (1pm New York time) will not be considered for inclusion in the assessment.

### Coking coal specifications

Grade	Free swelling index (FSI)	Average max. reflectance	Coke Strength after Reaction (CSR)	Sulphur (air dried)	Ash (air dried)	Total Moisture (as received)	Volatile matter (air dried)	Size	Fluidity (ddpm)
<b>Asia-Pacific premium hard coking coal low-vol</b>									
fob Australia	9	1.52%	70	0.6%	10.5%	10%	19.5%	25,000t	160
fob Australia permissible range	7-9	1.1-1.65%	min 67	up to 0.75%	up to 11%	up to 10.5%	up to 25%	min 25,000t	
cfr north China permissible range	7-9	1.1-1.65%	min 67	up to 0.75%	up to 11%	up to 10.5%	up to 25%	min 25,000t	
delivered Japan permissible range	7-9	1.1-1.65%	min 67	up to 0.75%	up to 11%	up to 10.5%	up to 25%	min 25,000t	
cfr east coast India permissible range	7-9	1.1-1.65%	min 67	up to 0.75%	up to 11%	up to 10.5%	up to 25%	min 25,000t	
<b>Asia-Pacific hard coking coal mid-vol</b>									
fob Australia	7-9	1.1-1.5%	min 58	up to 0.85%	up to 10.5%	up to 11%	19-28%	min 25,000t	
cfr north China	7-9	1.1-1.5%	min 58	up to 0.85%	up to 10.5%	up to 11%	19-28%	min 25,000t	
cfr east coast India	7-9	1.1-1.5%	min 58	up to 0.85%	up to 10.5%	up to 11%	19-28%	min 25,000t	
<b>North China domestic coking coal low-vol</b>									
North China domestic	7-9	1.1-1.5%	min 67	up to 0.6%	up to 10.5%	up to 10%	up to 25%	min 5,000t	
<b>North China domestic coking coal mid-vol</b>									
North China domestic	7-9	1.1-1.5%	min 58	up to 0.85%	up to 10.5%	up to 11%	19-28%	min 5,000t	
Grade	Free swelling index (FSI)	Average max. reflectance	Coke Strength after Reaction (CSR)	Sulphur (dry)	Ash (dry)	Total Moisture (as received)	Volatile matter (dry)	Size	Fluidity (ddpm)
<b>Hard coking coal, Europe and the Americas</b>									
fob Hampton Roads (low-vol)	7-9	1.4-1.7%	57 to 70	up to 1%	7-9%	up to 9%	17-22%	Panamax	100-200
fob Hampton Roads (high-vol A)	8-9	1-1.1%	min 60	up to 1%	up to 8%	up to 9%	31-34%	Panamax	30,000+
fob Hampton Roads (high-vol B)	7-9	up to 1%	up to 59	0.9-1%	up to 8%	up to 9%	34-37%	Panamax	20,000+
delivered Rotterdam (low-vol)*	7-9	1.4-1.7%	57 to 70	up to 1%	7-9%	up to 9%	17-22%	Panamax	100-200
fob Colombia (mid-vol)	7-9	1.0-1.5%	min 62	up to 1%	up to 10%	up to 10%	24-28%	Handysize	

\*Calculated as the published fob Hampton Roads (low vol) + the US east coast-ARA 75,000t Panamax freight assessment

### Rounding

Asia-Pacific coking coal price assessments are rounded to the nearest 5¢/t. US, Colombian and European coking coal price assessments are rounded to the nearest 5¢/t.

### Premium brand differentials

Argus assesses and publishes differentials to the central Argus premium hard coking coal low-vol price assessment for the following brands: Peak Downs, Saraji, German Creek, Riverside, Moranbah North, Illawarra, Goonyella, Oaky North, Glencore Low Vol, and Peak Downs North.

These differentials are assessed based on a survey of active market participants and observed differences in traded prices, and are used to standardise trade for branded material and other market information to the listed specification for consideration in the central Argus premium hard coking coal low-vol index.

### Australia

Argus assesses prices for low-vol premium hard coking coal and mid-vol hard coking coal exports from Australia.

For price assessments of the fob Australia physical coking coal market, Argus contacts Australian producers, buyers of Australian coking coal and international traders.

### China import

Argus assesses prices for low-vol premium hard coking coal and mid-vol hard coking coal imports into northern China.

Argus polls international producers, Chinese end-users and traders to arrive at its assessment of import prices. The primary assessment location is Jingtang, although other import locations such as Rizhao, Qinhuangdao, Qingdao and Caofeidian will be taken into account.

### China domestic

Argus assesses prices for low-vol premium hard coking coal and mid-vol hard coking coal in the Chinese domestic coking coal market.

This assessment relates solely to coking coal produced in mainland China and sold to domestic Chinese users on an ex-mine basis.

Argus polls Chinese producers, end-users and intermediaries in order to arrive at its assessment of the domestic market. The minimum size of trade, bid or offer for inclusion in the Argus assessment process is 5,000t.

The assessment is made primarily in Chinese yuan/t. It is also shown in US dollars/t for ease of comparison with the import market.

### India import

Argus assesses the price of low-vol premium hard coking coal and mid-vol hard coking coal imports into the east coast of India.

Argus polls international producers, Indian end-users and traders in order to arrive at its assessment of import prices. The primary assessment locations are Gangavaram, Vishakapatnam, Haldia, Paradip, Chennai, although other relevant import locations will be taken into account.

### Japan

The premium hard coking coal (low-vol) delivered Japan price is constructed by adding the Argus premium hard coking coal (low-vol) fob Australia assessment to a representative spot Australia-to-Japan Panamax freight assessment.

### US

Argus assesses prices for three types of coking coal exports from North America via the Port of Hampton Roads on the US east coast.

High-volatile matter type A and B coking coal specifications, and one low-volatile matter coking coal specification are assessed for prompt 90 days delivery free on board (fob).

Argus polls US producers, US and international traders who deal with exports of US coal to Atlantic basin and Pacific markets, buyers of US coal at coking and steel companies, and transport system operators to obtain pricing and market-relevant information on prompt physical sales.

Coal exported from Hampton Roads is shipped from three main terminals and largely comes from Central and Northern Appalachia. Argus observes coking coal sales from other US producing regions, for different delivery periods, and for export from the Port of Baltimore in setting Hampton Roads export prices, but the heaviest weight is given to confirmed prompt physical sales out of the Hampton Roads export terminals.

### Colombia

Argus assesses prices for coking coal exports from Colombia via terminals on the coast. A mid-volatile matter specification is assessed for prompt 90 days delivery free on board (fob).

Argus polls Colombian producers, Colombian and international marketers and trading firms, and steelmakers throughout South America and the Atlantic basin to obtain pricing and market-relevant information on physical coal sales.

## Semi-soft coking coal (SSCC) specifications

Grade	Volatile matter (ad)	Total moisture (ar)	Ash (ad)	Sulphur (ad)	FSI	Fluidity	Phosphorus	Fixed carbon
Mid-Vol, fob Australia	25.5	9.5	9.5	0.4	3.5	75	0.065	58
High-Vol, fob Australia	34	9.5	9.5	0.55	6	500	0.015	54
Ranges	25-37	9-11	9-12	0.45-0.6	3-7	1,200 Max	<0.08	50-60

## Rotterdam

The delivered Rotterdam price assessment is constructed by adding the Argus fob Hampton Roads US east coast low-vol price to a representative spot US-to-ARA Panamax rate.

## Semi-soft coking coal (SSCC)

Argus Ferrous Markets publishes daily price assessments for internationally traded bulk SSCC coal on the spot market, in accordance with the specifications and frequency listed in the table below.

### Basis of assessment

Argus will consider all bids and offers for a particular SSCC coal brand or specification against the base specification detailed in the SSCC table and will apply editorial judgment to these surveys, excluding values that appear to be outside the consensus of the market.

Bids and offers are tested against current market conditions through discussions with market participants. Information on transactions, bids and offers that lie outside the specification ranges of timing, size and quality will be taken into account but information that lies within the listed specification ranges of the assessment will be given most weight.

Material falling within the mid-vol specification range will be normalised to the mid-vol specification using value-in-use adjustments. The same adjustments will be used to publish a high-vol specification assessment, as detailed in the SSCC specifications table below. This approach concentrates liquidity around a central pricing point.

These specifications standardise the assessment around key criteria relating to cargo size and location, and for coal qualities — fluidity, free swelling index (FSI), fixed carbon, volatile matter, moisture, ash content, phosphorus and sulphur content. Prices are spot prices for loading or delivery within the next 60 days.

Asia-Pacific price assessments are based 50pc on a volume weighted average of trades and 50pc on a survey of active market participants, including firm bids and offers. In the absence of new transactions, the last available volume-weighted average of trades will be retained, until the market consensus of the price has moved sufficiently that the last reported trades are no longer representative of the market. That decision is based on a statistical analysis of all available data and editorial judgment.

### Timing of assessment

Assessments are the average of the day's trading activity. Transactions received or confirmed after the time stamp (5.30pm Singapore time) will not be considered for inclusion in the assessment.

### Rounding

Asia-Pacific SSCC assessments are rounded to the nearest 5¢/t.

### Fob Australia

Argus assesses prices for mid-volatile SSCC coal and high-volatile SSCC coal exports from Australia. Argus contacts Australian producers, international traders and international buyers of Australian SSCC coal. The high-vol SSCC price is assessed and published as a differential to the mid-vol SSCC price.

## Coking coal freight

Argus Ferrous Markets contains coking coal freight rates, published in \$/t.

### Coking coal routes covered

- Richards Bay-Rotterdam 150,000t Capesize
- Richards Bay-Rotterdam 70,000t Panamax
- Puerto Bolivar-Rotterdam 150,000t Capesize
- Puerto Bolivar-Rotterdam 70,000t Panamax
- Murmansk-Rotterdam 70,000t Panamax
- EC Australia-S China 150,000t Capesize
- Richards Bay-S China 150,000t Capesize
- EC Australia-Japan 70,000t Panamax
- EC Australia-EC India 70,000t Panamax
- EC Australia-S Korea 70,000t Panamax
- US east coast-ARA 140,000t Capesize
- US east coast-ARA 75,000t Panamax
- US east coast-Japan 75,000t Panamax
- Queensland-Rotterdam 160,000t

See the [Argus Freight methodology](#).

### Coking coal forward prices

Argus Ferrous Markets includes forward swaps price assessments for premium low-volatile hard coking coal fob Australia.

Price assessments are based on a survey of market participants. Assessments are of prices prevailing in the market at 5.30pm London time.

Assessments are published for the current month and the following two months. Monthly forward prices roll at the start of each month.

Prices are published for three quarters forward. Quarterly forward prices roll at the start of the second month of each quarter. During the first month of a quarter, prices are published for the current quarter and the first two forward quarters. During the second and third months of a quarter, prices are published for the first three forward quarters. For example, in April, Argus will publish prices for the second, third and fourth quarter of the year. In May, Argus will publish prices for the third and fourth quarter of the year, and the first quarter of the following year.

Prices are also published for two calendar years forward. Calendar year forward prices roll at the start of the new year.

## Pulverised coal injection (PCI)

Argus Ferrous Markets publishes daily and weekly price assessments for internationally traded bulk PCI coal on the spot market in accordance with the specifications and frequency listed in the table below.

### Basis of assessment

Argus will consider all bids and offers for a particular PCI coal brand or specification against a base specification detailed in the Pulverised coal injection (PCI) specifications table and will apply editorial judgment to these surveys, excluding values that appear to be outside the consensus of the market. Bids and offers are tested against current

**Pulverised coal injection (PCI) specifications**

Grade	Volatile matter (dry ash free) %	Ash content %	Moisture content %	Sulphur content %	HGI	Size	Frequency
LV PCI fob Baltic/cif ARA base (range)	16 (10-19)	9.5 (4-13)	8.5 (5-12)	0.35 (<0.8)	50-85	min 10,000t	weekly (Wednesday)
MV PCI fob Baltic/cif ARA base (range)	21 (15-30)	7.5 (4-13)	7.5 (5-12)	0.3 (<0.8)	50-85	min 10,000t	weekly (Wednesday)
LV PCI fob Australia/cfr China/cfr India base (range)	13 (10-18)	9 (4-13)	10 (5-12)	0.5 (<0.8)	80 (55-85)	min 20,000t	daily
MV PCI fob Australia (range)	21 (18-23)	10 (4-13)	10 (5-12)	0.5 (<0.8)	80 (55-85)	min 20,000t	daily

market conditions through discussions with market participants. Information on transactions, bids and offers that lie outside the specifications of timing, size and quality will be taken into account but information that lies within the listed specifications of the assessment will be given most weight. Argus applies editorial judgment to the surveys and will eliminate information that is not judged to be representative of the market in its final assessment of the price.

These specifications standardise the assessment around key criteria relating to cargo size and location, and for coal qualities — volatile matter, moisture, ash content, sulphur content and hardgrove grindability index (HGI).

Prices are spot prices for loading or delivery within the next 60 days.

### Baltic

Baltic price assessments are based on an average of bids and offers gathered through a weekly market survey conducted by trained market reporters. Argus will consider all bids and offers for a particular PCI coal brand or specification against a base specification detailed in the table below and will apply editorial judgment to these surveys, excluding values that appear to be outside the consensus of the market. Bids and offers are tested against current market conditions through discussions with market participants.

### Asia-Pacific

Asia-Pacific price assessments are based 50pc on a volume-weighted average of trades and 50pc on a survey of active market participants, including firm bids and offers.

In the absence of new transactions, the last available volume-weighted average of trades will be retained, until the market consensus of the price has moved sufficiently that the last reported trades are no longer representative of the market. That decision is based on a statistical analysis of all available data and editorial judgment.

### Timing of assessment

Assessments are the average of the week's or day's trading activity. Transactions that are received or confirmed after the time stamp for Asia-Pacific physical transactions (5.30pm Singapore time) and European physical transactions (5pm London time, each Wednesday) will not be considered for inclusion in the assessment.

### Rounding

Asia-Pacific and European PCI price assessments are rounded to the nearest 5¢/t.

### Australia

Argus assesses an outright price for low-volatile PCI coal exports from Australia.

Argus contacts Australian producers, international traders and international buyers of Australian PCI coal. Australian PCI coal sold on a cfr China basis will be net-back to a fob Australia basis, using prevailing freight rates.

Argus uses value-in-use adjustments to normalise different PCI brands and specifications to a common basis for inclusion into the low-vol PCI assessment. The same adjustments are used to publish a mid-vol specification assessment, as detailed in the PCI specifications table.

The mid-vol PCI price is assessed and published as a differential to the low-vol PCI price.

### China import

The low-volatile PCI price delivered into northern China is calculated by adding spot Australia-to-China Panamax freight costs to Jingtang port to the Argus low-volatile PCI fob Australia assessment.

### India

The low-volatile PCI delivered east India price is calculated by adding the Argus low-volatile fob Australia assessment to a representative spot Australia-to-India Panamax freight assessment.

### Russian exports

Argus assesses prices for low-volatile PCI coal and mid-volatile PCI coal exports from Russia through the Baltic Sea. For fob Baltic price assessments, Argus contacts Russian producers, international traders and buyers of Russian PCI coal from Baltic ports.

### European imports

Argus assesses prices for low-volatile PCI coal and mid-volatile PCI coal imports into northwest Europe.

For delivered Europe price assessments, Argus contacts international producers, international traders and European buyers of PCI coal. The primary assessment location is ARA, although other European import locations such as Turkey, Scandinavia and Italy will be taken into account.

**Metallurgical coke specifications**

Grade	Coke strength after reaction (CSR)	CRI	Volatile matter	Sulphur	Ash	Phosphorus	Particle size	M40	M10
62 CSR coke, fob north China	62	30 max	up to 1.5%	up to 0.75%	up to 13.5%	up to 0.045%	30-100mm	82	8
65 CSR coke, fob north China	65	30 max	up to 1.5%	up to 0.75%	up to 13.5%	up to 0.045%	30-100mm	82	8

**Metallurgical (met) coke**

**Met coke assessments**

Argus Ferrous Markets contains assessments for internationally traded bulk met coke on the spot market according to the specifications listed in the table below.

**Basis of assessment**

Assessments are based 50pc on a volume-weighted average of deals done and 50pc on a survey of active market participants. In the absence of new transactions, the last available volume-weighted average of trades will be retained, until the market consensus of the price has moved sufficiently that the last reported trades are no longer representative of the market. That decision is based on a statistical analysis of all available data and editorial judgment.

Argus does not exclusively rely upon transactions to establish market prices.

Information on transactions, bids and offers that lie outside the specifications of timing, size and quality will be taken into account but information that lies within the specifications of the assessment will be given the most weight. Argus applies editorial judgment to the surveys and will eliminate information that is not judged to be representative of the market in its final assessment of the price.

These specifications standardise the assessment around key criteria relating to cargo size and location, and for coke qualities — coke strength, CRI, volatile matter, sulphur content, ash, phosphorus, size and M40/M10.

Prices are spot prices for loading or delivery within the next 60 days.

**Timing of assessment**

The assessment is the average of the day's trading activity. Transactions completed after the time stamp for physical transactions (5.30pm Singapore time) will not be considered for inclusion in the volume-weighted average.

**Rounding**

Asia-Pacific metallurgical coke price assessments are rounded to the nearest 5¢/t.

**China**

Argus assesses prices for 62 CSR met coke and 65 CSR met coke exports from northern China.

For price assessments of the fob north China physical met coke market, Argus contacts Chinese coke makers, buyers of Chinese coke and international traders.

The primary assessment location is Tianjin, although other export locations such as Rizhao, Qingdao, Jingtang and Caofeidian will be taken into account.

**Steel**

Argus Ferrous Markets contains assessments of hot rolled coil (HRC), cold rolled coil (CRC), plate, slab, billet, rebar and wire rod. A full list of included assessments, their specifications and other details can be found in the table below.

The described basis of assessment applies to all steel markets covered, except those noted specifically below.

**Basis of assessment**

Assessments are based on spot market trades, bids, offers and a survey of active market participants conducted by trained market reporters. Argus does not exclusively rely upon transactions to establish market prices. Information on transactions, bids and offers that lie outside the specifications will be taken into account.

These specifications standardise the assessment around key criteria relating to cargo size and load port, while taking into account factors such as extras, payment terms and producer quality differentials.

Information that falls outside the consensus of the market or is otherwise judged to be unrepresentative of the market will be excluded from the assessment process.

Specifications, timings, timestamps, currency and units of measure are listed in the specifications table below.

**Timing of assessment**

Assessments are the average of the trading day's, week's, or month's activity. Transactions completed after the timestamp will not be considered for inclusion in the assessment.

**Asia-Pacific seaborne**

China HRC, China rebar, China wire rod, ASEAN HRC and ASEAN rebar price assessments are based 75pc on a volume-weighted average of trades and 25pc on a survey of active market participants, including firm bids and offers. In the absence of new transactions, the last available volume-weighted average of trades will be retained, until the market consensus of the price has moved sufficiently that the last reported trades are no longer representative of the market. That decision is based on a statistical analysis of all available data and editorial judgment. In the absence of transactions, the assessment will be based on the market survey.

Rebar prices are for product measured in theoretical weight. All other price assessments are for product measured in actual weight.

Argus also publishes price differentials to the HRC cfr ASEAN price to give more transparency by country origin:

- HRC, cfr ASEAN China origin
- HRC, cfr ASEAN India origin
- HRC, cfr ASEAN Japan origin
- HRC, cfr ASEAN South Korea origin
- HRC, cfr ASEAN Taiwan origin

The differentials are for SAE 1006-grade HRC sourced from each country and sold on a cfr Vietnam basis with the same specifications listed in the table for HRC cfr ASEAN.

## Rounding

Asia-Pacific seaborne steel prices are rounded to nearest \$/t integer.

## Black Sea export

Argus takes into account transactions sold through Russian far east ports to Asian markets but information that lies within the specifications of the assessment will be given the most weight.

## Europe

Northwest European hot rolled coil prices are assessed on an ex-works Ruhr basis. Euro-denominated assessments are rounded to the nearest 25¢/t, sterling-denominated assessments are rounded to the nearest 25p/t, and US dollar-denominated assessments are rounded to the nearest 25¢/t.

## European forward prices

Argus publishes HRC ex-works northwest Europe forward prices for product delivering during the named calendar month and matching the specification of the spot price listed below.

Price assessments are based on a survey of market participants. Assessments are of prices prevailing in the market at 5pm London time.

Assessments are published in €/tonne for the current month and the following two months. Monthly forward prices roll at the start of each month.

## US domestic

### Ex-works

US hot rolled coil price assessments is based 75pc on a volume-weighted average of trades and 25pc on a survey of active market participants, including firm bids and offers. In the absence of new transactions, the last available volume-weighted average of trades will be retained, until the market consensus of the price has moved sufficiently that the last reported trades are no longer representative of the market. That decision is based on a statistical analysis of all available data and editorial judgment. In the absence of transactions, the assessment will be based on the market survey.

### US import

Prices are intelligent assessments of spot market activity received from a survey of market participants that includes trades, bids, offers and other indications of representative and repeatable market prices. Assessments are of the price prevailing in the market at 1pm New York time. Assessments are for material from all origins delivered into Houston and meeting the specifications below.

### Rounding

US steel prices are rounded to nearest 25¢/st.

## International steel specifications

Name	Quality	Minimum quantity	Dimensions	Location	Timing	Measure	Assessment frequency/timestamp
<b>Asia-Pacific seaborne steel prices</b>							
HRC fob Tianjin	SS400 (or equivalent)	500t	width 900-2000mm, 3-7mm thick, coils 10-30t	fob Tianjin ports	4-10 weeks	\$/t	daily, 5.30pm Singapore
Rebar fob Zhangjiagang	BS4449:2005, B500B (or equivalent)	5,000t	10-40mm diameter, (10&40<20%), Length 12m	fob Zhangjiagang port	4-8 weeks	\$/t	daily, 5.30pm Singapore
Steel wire rod, fob N China	Mesh quality, SAE1008	1,000t	6.5mm diameter	fob Bayuquan	4-8 weeks	\$/t	daily, 5.30pm Singapore
HRC, cfr ASEAN	SAE 1006 (or equivalent)	500t	width 900-2000mm, up to 3mm thick, coils 10-30t	cfr Vietnam	6-12 weeks	\$/t	daily, 5.30pm Singapore
Rebar, cfr ASEAN	BS4449:2005, B500B (or equivalent)	5,000t	10-40mm diameter, (10&40<20%), length 12m	cfr Singapore	6-10 weeks	\$/t	weekly, Friday, 5.30pm Singapore
<b>Black Sea seaborne steel prices (daily)</b>							
HRC, fob Black Sea	EN10025-2:2004. Grade S235JR or equivalent	3,000t	1,200-1,500mm wide, 2-10mm thick	fob Russia/Ukraine Black Sea ports	4-8 weeks	\$/t	daily, 5pm London
CRC, fob Black Sea	EN10131:2006. Grade: DC01 or equivalent	3,000t	1,000-1,250mm wide, 0.9-1.5mm thick	fob Russia/Ukraine Black Sea ports	4-8 weeks	\$/t	daily, 5pm London
Billet, fob Black Sea	3sp	5,000t	125x125mm square, 11,700mm long	fob Russia/Ukraine Black Sea ports	2-6 weeks	\$/t	daily, 5pm London
Rebar, fob Turkey	B500C	2,000t	16-20 mm diameter	fob Turkey port	2-6 weeks	\$/t	daily, 5pm London

**International steel specifications**

Name	Quality	Minimum quantity	Dimensions	Location	Timing	Measure	Assessment frequency/timestamp
<b>China domestic steel prices (daily)</b>							
HRC, Shanghai inc VAT	Q235B	40t	5.5-11.5mm thick, 1,500mm width	ex-warehouse Shanghai	immediate	Yn/t	daily, 5.30pm Singapore
Rebar, Shanghai inc VAT	HRB400	100t	16-25mm diameter	ex-warehouse Shanghai	immediate	Yn/t	daily, 5.30pm Singapore
Billet, Tangshan ex-works, posted price*	Q235	3,000t	150mm square x 6m and 12m length	ex-works Tangshan, including VAT	<2 weeks	Yn/t	daily, 5.30pm Singapore
*ex-works prices as posted by Tangshan mills							
<b>China domestic ex-warehouse steel prices (weekly)</b>							
CRC, Shanghai inc VAT	DC01	10t	1-2mm thick, 1,250mm width	ex-warehouse Shanghai	immediate	Yn/t	weekly, Friday, 5.30pm Singapore
Seamless steel pipe, Shanghai inc VAT	20#	50t		ex-warehouse Shanghai	immediate	Yn/t	weekly, Friday, 5.30pm Singapore
<b>India domestic ex-works steel prices (weekly)</b>							
HRC, India ex works	SS400B	30t		ex-works west India, no GST	2-4 weeks	Rs/t	weekly, Friday, 5.30pm Singapore
<b>UAE steel prices (monthly)</b>							
Rebar, ex-works UAE	BS4449:2005, B500B (or equivalent)	up to 15,000t	diameter 8-40mm, length: 10-12m	ex-works UAE	up to 6 weeks	\$/t	monthly, last Thursday, 5pm London
Rebar, ex-works UAE	BS4449:2005, B500B (or equivalent)	up to 15,000t	diameter 8-40mm, length: 10-12m	ex-works UAE	up to 6 weeks	Dgh/t	monthly, last Thursday, 5pm London
<b>Europe steel prices</b>							
HRC ex-works northwest Europe	S235 HRC	100t	1.2-1.6m width, 3-7mm thick	northwest Europe, excluding UK on an ex-works Ruhr basis	2-8 weeks	€/t	daily, 5pm London
HRC ex-works northwest Europe	S235 HRC	100t	1.2-1.6m width, 3-7mm thick	northwest Europe, excluding UK on an ex-works Ruhr basis	2-8 weeks	\$/t	daily, 5pm London
HRC ex-works Italy differential to northwest Europe	S235 HRC	100t	1.2-1.6m width, 3-7mm thick	Italy	2-8 weeks	€/t	daily, 5pm London
HRC ex-works Italy	S235 HRC	100t	1.2-1.6m width, 3-7mm thick	Italy	2-8 weeks	€/t	daily, 5pm London
HRC DDP West Midlands UK	S275 JR	100-1,000t parcels	1.6-1.8m width, 3mm thick	DDP West Midlands, UK	2-10 weeks	£/t, payment on sight	weekly, Thursday, 5pm London
HRC cif south Europe	S235 HRC	100t	1.2-1.6m width, 2-6mm thick	cif Italy, cif Spain	4-12 weeks	€/t, payment on sight	weekly, Thursday, 5pm London
Steel plate ex-works northwest Europe	S235 JR	100t	15-35mm thick, up to 2.5m wide and 12m long	cif Italy, cif Spain	6-12 weeks	€/t	monthly, second Thursday, 5pm London
Steel plate ex-works Italy	S235 JR	100t	15-35mm thick, up to 2.5m wide and 12m long	cif Italy, cif Spain	6-12 weeks	€/t	monthly, second Thursday, 5pm London
<b>US ex-works steel prices (weekly)</b>							
HRC ex-works US Midwest	Prime quality, ASTM A1011 CS type B	100st (max 1,000st)	48-72 inch width, 0.083-0.501 inch thick	ex-works US Midwest (IL, IN, MI, OH, IA, MN, NE, PA)	2-6 weeks	\$/st	weekly, Tuesday, 1pm New York
<b>US import steel prices (weekly)</b>							
HRC DDP Houston	Prime quality, ASTM A1011 CS type B	200-1,000st	48-72 inch width, 0.083-0.501 inch thick	DDP Houston, loaded truck	4-12 weeks	\$/st	weekly, Tuesday, 1pm New York
<b>Black Sea seaborne steel prices (weekly)</b>							
Slab, fob Black Sea	SAE 1006 or equivalent	20,000t	1,000-1,850mm X 200-250mm	fob Russia/Ukraine Black Sea ports	2-8 weeks	\$/t	weekly, Thursday, 5pm London
Rebar, fob Black Sea	3sp, A500C	3,000t	10-36mm diameter	fob Russia/Ukraine ports	2-6 weeks	\$/t	weekly, Thursday, 5pm London
Wire rod, fob Black Sea	SAE 1006 - 1080	3,000t	5.5-16mm diameter	fob Russia/Ukraine ports	2-6 weeks	\$/t	weekly, Thursday, 5pm London
HRC, fob Turkey	EN 10025-2:2004 Grade S235JR or equivalent	1,000t	3-7mm thick 12,000-15,000mm width	fob Turkey	6-12 weeks	\$/t	weekly, Friday, 5pm London
CRC, fob Turkey	DC01	1,000t	1-1.5mm thick	fob Turkey	6-12 weeks	\$/t	weekly, Friday, 5pm London



**International steel specifications**

Name	Quality	Minimum quantity	Dimensions	Location	Timing	Measure	Assessment frequency/timestamp
<b>Black Sea seaborne steel prices (monthly)</b>							
Plate, fob Black Sea	st3sp/ps GOST 380-94 or equivalent	1,000t	10-40mm thick up to 2,500 wide and 12,000mm long	fob Russia/Ukraine Black Sea ports	2-6 weeks	\$/t	monthly, first Thursday, 5pm London
<b>Turkey domestic ex-works steel prices (weekly)</b>							
Rebar, ex-works Turkey (incl. VAT)	B500C	100t	10-14mm diameter	ex-works Turkish mill	0-6 weeks	\$/t	weekly, Thursday 5pm London
Rebar, ex-works Turkey (incl. VAT)	B500C	100t	10-14mm diameter	ex-works Turkish mill	0-6 weeks	TL/t	weekly, Thursday 5pm London
HRC, ex-works Turkey	EN 10025-2:2004 Grade S235JR or equivalent	500t	3-7mm thick 12,000-15,000mm length	ex-works Turkish mill	4-12 weeks	\$/t	weekly, Friday, 5pm London
HRC, ex-works Turkey	EN 10025-2:2004 Grade S235JR or equivalent	500t	3-7mm thick 12,000-15,000mm length	ex-works Turkish mill	4-12 weeks	TL/t	weekly, Friday, 5pm London
CRC, ex-works Turkey	DC01	500t	1-1.5mm thick	ex-works Turkish mill	6-12 weeks	\$/t	weekly, Friday, 5pm London
CRC, ex-works Turkey	DC01	500t	1-1.5mm thick	ex-works Turkish mill	6-12 weeks	TL/t	weekly, Friday, 5pm London

## Blast furnace economics

Argus calculates ferrous feed unit costs and indicative cost spreads for steel mills, published in \$/t.

### China

#### Basic oxygen furnace (BOF)

**Ferrous feed unit cost China BOF 15% charge** is calculated daily as the 62% Fe Fines, cfr Qingdao (ICX) assessment \*1.44 + fob Australia premium hard low-vol coking coal \*0.49 + heavy melt #3 posted price del east China \*0.15. The ratios are the inputs required to make a tonne of crude steel.

**BOF spread 15% charge fob China rebar** is calculated daily as the rebar fob Zhangjiagang – ferrous feed unit cost China BOF 15% charge.

**BOF spread 15% charge fob China HRC** is calculated daily as the HRC fob Tianjin – ferrous feed unit cost China BOF 15% charge.

#### Blast furnace

**Ferrous feed unit cost China blast furnace** is calculated daily as the 62% Fe Fines, cfr Qingdao (ICX) assessment \*1.6 + fob Australia premium hard low-vol coking coal \*0.54. The ratios are the inputs required to make a tonne of crude steel.

**Blast spread fob China rebar** is calculated daily as the rebar fob Zhangjiagang – ferrous feed unit cost China blast furnace.

**Blast spread fob China HRC** is calculated daily as the HRC fob Tianjin – ferrous feed unit cost China blast furnace.

### Taiwan

**Ferrous feed unit cost Taiwan arc furnace** is calculated weekly as 1.12 \*Ferrous scrap HMS 1/2 (80:20) containerised cfr Taiwan. The 12% loss is for slagging and other losses.

### Turkey

**Ferrous feed unit cost Turkey arc furnace** is calculated daily as 1.12 \*Ferrous scrap HMS 1/2 (80:20) cfr Turkey. The 12% loss is for slagging and other losses.

**Arc spread fob Turkey rebar** is calculated daily as the price of steel rebar fob Turkey – the ferrous feed unit cost Turkey arc furnace.

**Arc spread ex-works Turkey rebar** is calculated daily as the price of steel rebar ex-works Turkey – the ferrous feed unit cost Turkey arc furnace.

## Ferrous scrap

Argus Ferrous Markets includes daily and weekly ferrous scrap prices republished from Argus Metal Prices. See the [Argus Metal Prices methodology](#).

#### Seaborne ferrous scrap prices (daily)

- HMS 1/2 (80:20), cfr Turkey
- HMS 1/2 (75:25), fob Rotterdam
- A3, cif Marmara
- A3, fob Russia/Ukraine Black Sea
- HMS 1/2 (80:20), fob New York
- HMS 1/2 (80:20) containerised cfr Taiwan

#### Seaborne ferrous scrap prices (weekly)

- HMS 1/2 (80:20), fas Los Angeles
- Shredded containerised cfr Nhava Sheva India

#### Mill delivered ferrous scrap prices

- Heavy melt #3 posted price del east China (daily)
- E40 shredded old steel scrap - Germany national average (monthly)
- E40 shredded old steel scrap - Spain (monthly)
- E40 shredded old steel scrap - Italy (monthly)
- Shredded composite del US (weekly)

### Ferrous scrap freight

Argus Ferrous Markets includes weekly ferrous scrap freight rates republished from Argus Metal Prices. See the [Argus Metal Prices methodology](#).

#### Ferrous scrap freight (weekly)

- Bulk export New York-Turkey
- Bulk export Los Angeles-South Korea
- Containerised export New York-Mumbai
- Containerised export Los Angeles-Taiwan

## Pig iron

Argus Ferrous Markets includes weekly pig iron prices republished from Argus Metal Prices. See the [Argus Metal Prices methodology](#).

#### China ex-works

- Tangshan, Hebei

#### fob Black Sea

- Russian basic
- Ukrainian basic

#### fob Brazil

- fob northern Brazil basic
- fob southern Brazil basic

## Ferro-alloys

Argus Ferrous Markets includes weekly, twice-weekly and monthly ferro-alloy prices republished from Argus Metals International.

See the [Argus Metals International methodology](#).

### Ferro-manganese

- HC 75% fob China (twice weekly)
- HC 75% Mn ex-works China (twice weekly)
- HC min 80% Mn 6-8% C fob N America (weekly)

### Silico-manganese

- 65% Mn 17% Si fob China (twice weekly)
- 65% Mn 15% Si fob India East Coast (twice weekly)
- 65% Mn ddp Europe works (twice weekly)
- Min 65% Mn 16% Si fob N America (weekly)

### Ferro-silicon

- 72% Si fob China (twice weekly)
- Low aluminium 75% Si 0.1% Al fob China (twice weekly)

### Ferro-titanium

- 70% Ti fob N America (weekly)

### Ferro-vanadium

- 50% V ex-works China (twice weekly)
- 60% V ex-works India (twice weekly)
- 78-82% V dp Rotterdam (twice weekly)

### Ferro-niobium

- min 65% Nb du Rotterdam (twice weekly)
- 65% Nb fob US warehouse (monthly)

## Argus Ferrous Markets monthly roundup

Argus also publishes the monthly Argus Ferrous Markets: market roundup, a bulletin containing monthly averages of prices published in Argus Ferrous Markets.

Monthly average prices are published for

### Raw materials

- 62% Fe fines, cfr Qingdao (ICX™)
- Premium hard coking coal low-vol fob Australia
- Hard coking coal high-vol A fob Hampton Roads

### Semi-finished steel

- Billet, Tangshan ex-works
- Slab fob Black Sea

### Finished steel

- HRC fob Tianjin
- HRC ex-works northwest Europe
- HRC ex-works Italy
- HRC ex-works US Midwest
- Rebar fob Turkey

### Spreads

- PCX portside iron ore differential to ICX
- Blast spread fob China HRC

Monthly average prices are made available electronically to subscribers on the first publication day of the month. Argus Ferrous Markets: monthly roundup is published during the first week of each calendar month.