

## CRU Prices

Stainless Steel  
Methodology and  
Definitions Guide

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# Methodology and Definitions Guide – Stainless Steel

## 1 Scope

This guide covers stainless steel products in all geographical markets and should be read in conjunction with the *CRU Group Compliance Framework and Methodology Guide*. It details commodity-specific methodology which have precedence, with all other aspects covered by the Group methodology guide.

## 2 Methodology

### Data Submitters

Data Submitters collectively represent the entire physical supply chain and include steel producers (steel mills), steel service centres and stockholders/traders, and end-users (consumers).

They must have access to data relating to actual spot market transactions (a purchase or a sale), bid/offer information or be able to provide a credible opinion on such prices in the absence of any other data over the relevant time period. They are therefore typically employed in sales or marketing functions on the sell side and purchasing functions on the buy side, or act in a trading function. Data Submitters may also include individuals in finance functions if they can provide the same.

CRU actively seeks new Data Submitters and will consider unsolicited applications to become a Data Submitter. Potential new Data Submitters are vetted on a case-by-case basis, but are not required to sign a Data Providers' Agreement

### Data submitted and submission processes

Any price data provided to CRU must meet the relevant product definitions.

For each product, data submitters provide CRU with a single price figure or a range of prices relating to all spot sales or purchases concluded in the week prior to publication. In the absence of actual transaction data, firms bids/offers or an opinion of the prevailing market price in the same period can be submitted. The type of price data submitted (actual transaction, firm bid/offer or opinion) should be indicated to CRU.

Industry participants can submit prices to CRU by telephone, email, private one-to-one instant messenger services, facsimile, or other private means of communication.

### Final price calculation

Although no specific statistical checks are in place to detect errors, the price submissions are collected by experienced CRU price assessors. As such, submissions which are regarded as suspect - whether this be because of the variance from that contributor's last submission or the variance from the average of the other contributors' submissions - are questioned at the time of the survey or, if necessary, by speaking to the participant for a second time. If a satisfactory answer is not received, the contribution is not taken into account when arriving at the final price assessment.

Final prices are arrived at using the expert judgement of the CRU price assessor, taking into account the price points and type of price points they may have received from market participants. Where a mix of price types have been received, greater subjective weighting will generally be given to transaction prices, then firm bid/offer prices, then indicative bid/offer prices, then opinions of prices in that order.

### Price determination in an illiquid market

In the cases of zero submissions or where all submissions were deemed inadmissible, expert judgement would be used to determine the final price value. This choice would be based on: observation of the previous week's prices; short term historical price trends; other quantitative market data including prices in other related active markets, producer price change announcements; qualitative information such as that received from interactions with market participants or other CRU analysts, and; other sources of information relevant to the spot market. This can include canvassing views among market participants on the price differential that exists between different grades of sheet and plate (the market for which can tend to be illiquid). These differentials are then applied to give an assessment of base prices for niche plate products, for example.

The price assessor will use their judgement to evaluate the volume, quality and coherence of any such market information they may possess. If one or more of these factors in combination does not provide a sufficiently clear indication of the **direction and** extent of market movement to allow the price assessor to confidently change the price from the previous value, the prior value would be rolled over to form the current period value.

**Final price publication**

Prices are made available to customers of CRU's *Stainless Steel Flat Products Monitor* according to its publication schedule.

### 3 Definitions

#### Stainless Steel Sheet CR304, 316, 430, 409, 2MM Europe

Grade: Cold-rolled 304, 316, 430 2mm sheet  
 Price basis: ex-mill, base price (as per relevant European country)  
 Type: Spot  
 Currency: Euros, US dollar  
 Weight Unit: metric tonnes  
 Size: Large buyer distribution-sector buyer  
 Timing: Delivery before month end  
 Pricing: Business reported on ex-mill basis – no inter-trade activity  
 Duties/Tariffs: Ex-VAT

#### USA - Producer

Grade: Cold-rolled 304, 316, 430, 409 2mm sheet.  
 Price basis: ex-mill, base price  
 Type: Spot  
 Currency: US dollar  
 Weight Unit: Local prices in short tons  
 Size: Large buyer distribution-sector buyer  
 Timing: Delivery before month end  
 Pricing: Business reported on ex-mill basis – no inter-trade activity  
 Duties/Tariffs: Ex-VAT

#### USA - East Coast Import

Grade: Cold-rolled 304, 316, 430, 409, 2mm sheet.  
 Price basis: cif, duty unpaid  
 Type: Spot  
 Currency: US dollar  
 Weight Unit: Local prices in short tons  
 Size: Large buyer distribution-sector buyer  
 Timing: Delivery before month end  
 Pricing: Business reported on CIF basis – no inter-trade activity  
 Duties/Tariffs: Ex-VAT

#### USA - West Coast Import

Grade: Cold-rolled 304, 316, 430, 409, 2mm sheet.  
 Price basis: cif, duty unpaid  
 Type: Spot  
 Currency: US dollar  
 Weight Unit: Local prices in short tons  
 Size: Large buyer distribution-sector buyer  
 Timing: Delivery before month end  
 Pricing: Business reported on cif basis– no inter-trade activity  
 Duties/Tariffs: Ex-VAT Asia - Japan

#### Asia - Japan

Grade: Cold-rolled 304, 316, 430, 2mm sheet.  
 Price basis: ex-mill  
 Type: Spot  
 Currency: US dollar  
 Weight Unit: metric tonnes  
 Size: Large buyer distribution-sector buyer  
 Timing: Delivery before month end  
 Pricing: Business reported on ex-mill basis – no intertrade activity

Duties/Tariffs: Ex-VAT

### China - Export

Grade: Cold-rolled 304, 316, 430, 2mm sheet (local prices quoted in coil).  
 Price basis: FOB  
 Type: Spot  
 Currency: US dollar  
 Weight Unit: metric tonnes  
 Size: Large buyer distribution-sector buyer  
 Timing: Forward delivery (generally within two months)  
 Pricing: Business reported on ex-mill basis – no inter-trade activity  
 Duties/Tariffs: Ex-VAT

### China - Producer

Grade: Cold-rolled 304, 316, 430, 2mm and 0.5mm coil.  
 Price basis: Ex-mill list price (quoted with standard discount deducted). RMB price includes VAT; US dollar price excludes VAT.  
 Type: Spot  
 Currency: RMB and US dollar  
 Weight Unit: metric tonnes  
 Size: Large buyer distribution-sector buyer  
 Timing: Delivery before month end  
 Pricing: Business reported on ex-mill basis – no intertrade activity  
 Duties/Tariffs: Local prices include VAT; USD prices exclude VAT.

### China - Trader

Grade: Cold-rolled 304, 316, 430, 409, 1.8-2.0mm sheet (local prices quoted in coil).  
 Price basis: ex-warehouse Wuxi  
 Type: Spot  
 Currency: RMB and US dollar  
 Weight Unit: metric tonnes  
 Size: Large buyer distribution-sector buyer  
 Timing: Delivery before month end  
 Pricing: Business reported on ex-mill basis – no intertrade activity  
 Duties/Tariffs: Local prices include VAT; USD prices exclude VAT

### Taiwan - Export

Grade: Cold-rolled 304, 430, 2mm sheet  
 Price basis: FOB  
 Type: Spot  
 Currency: US dollar  
 Weight Unit: metric tonnes  
 Size: Large buyer distribution-sector buyer  
 Timing: Forward delivery (generally within two months)  
 Pricing: Business reported on ex-mill basis – no inter-trade activity  
 Duties/Tariffs: Ex-VAT

### Taiwan - Trader

Grade: Cold-rolled 304, 316, 430, 1.8-2.0mm sheet (local prices quoted in coil).  
 Price basis: ex-warehouse  
 Type: Spot  
 Currency: TWD and US dollar  
 Weight Unit: metric tonnes  
 Size: Large buyer distribution-sector buyer  
 Timing: Delivery before month end  
 Pricing: Business reported on ex-mill basis (trader and re-roller price) – no inter-trade activity

Duties/Tariffs: Local prices include VAT; USD prices exclude VAT

### **Stainless Steel Quarto Plate 304, 316 Europe**

Grade: QP304, QP316, 13mm and over.  
Price basis: ex-mill (as per relevant European country)  
Type: Spot  
Currency: Euros, US dollar  
Weight Unit: metric tonnes  
Size: Large buyer distribution-sector buyer  
Timing: Delivery before month end  
Pricing: Business reported on ex-mill basis – no inter-trade activity  
Duties/Tariffs: Ex-VAT

### **USA - Producer**

Grade: QP304, QP316, 3/8 inch and over.  
Price basis: ex-mill  
Type: Spot  
Currency: US dollar  
Weight Unit: Local prices in short tons  
Size: Large buyer distribution-sector buyer  
Timing: Delivery before month end  
Pricing: Business reported on ex-mill basis – no inter-trade activity  
Duties/Tariffs: Ex-VAT

### **USA - East Coast Import**

Grade: QP304, QP316, 3/8 inch and over.  
Price basis: cif, duty unpaid  
Type: Spot  
Currency: US dollar  
Weight Unit: Local prices in short tons  
Size: Large buyer distribution-sector buyer  
Timing: Delivery before month end  
Pricing: Business reported on ex-mill basis – no inter-trade activity  
Duties/Tariffs: Ex-VAT

### **USA - West Coast Import**

Grade: QP304, QP316, 3/8 inch and over.  
Price basis: cif, duty unpaid  
Type: Spot  
Currency: US dollar  
Weight Unit: Local prices in short tons  
Size: Large buyer distribution-sector buyer  
Timing: Delivery before month end  
Pricing: Business reported on cif basis – no inter-trade activity  
Duties/Tariffs: Ex-VAT

### **Asia - Japan**

Grade: QP304, QP316, 9mm and over.  
Price basis: ex-mill  
Type: Spot  
Currency: US dollar  
Weight Unit: metric tonnes  
Size: Large buyer distribution-sector buyer  
Timing: Delivery before month end  
Pricing: Business reported on ex-mill basis – no inter-trade activity  
Duties/Tariffs: Ex-VAT

### China - Export

Grade: QP304, QP316, 15-25mm.  
 Price basis: cif, duty unpaid  
 Type: Spot  
 Currency: US dollar  
 Weight Unit: metric tonnes  
 Size: Large buyer distribution-sector buyer  
 Timing: Forward delivery (generally within two months)  
 Pricing: Business reported on cif basis – no inter-trade activity  
 Duties/Tariffs: Ex-VAT

### Stainless Steel Sheet CMP304, 316 Europe

Grade: CMP304, CMP316, up to 6mm in sheet.  
 Price basis: ex-mill (as per relevant European country)  
 Type: Spot  
 Currency: Euros, US dollar  
 Weight Unit: metric tonnes  
 Size: Large buyer distribution-sector buyer  
 Timing: Delivery before month end  
 Pricing: Business reported on ex-mill basis – no inter-trade activity  
 Duties/Tariffs: Ex-VAT

### USA - Producer

Grade: CMP304, CMP316, 1/4 inch and over in sheet.  
 Price basis: ex-mill  
 Type: Spot  
 Currency: US dollar  
 Weight Unit: Local prices in short tons  
 Size: Large buyer distribution-sector buyer  
 Timing: Delivery before month end  
 Pricing: Business reported on ex-mill basis – no inter-trade activity

### USA - East Coast Import

Grade: CMP304, CMP316, 1/4 inch and over in sheet.  
 Price basis: cif, duty unpaid  
 Type: Spot  
 Currency: US dollar  
 Weight Unit: Local prices in short tons  
 Size: Large buyer distribution-sector buyer  
 Timing: Delivery before month end  
 Pricing: Business reported on cif basis – no inter-trade activity  
 Duties/Tariffs: Ex-VAT

### USA - West Coast Import

Grade: CMP304, CMP316, 1/4 inch and over in sheet.  
 Price basis: cif, duty unpaid  
 Type: Spot  
 Currency: US dollar  
 Weight Unit: Local prices in short tons  
 Size: Large buyer distribution-sector buyer  
 Timing: Delivery before month end  
 Pricing: Business reported on cif basis – no inter-trade activity  
 Duties/Tariffs: Ex-VAT

### Asia - Japan

Grade: CMP304, CMP316, 3-8mm in sheet.  
 Price basis: ex-mill



Type: Spot  
Currency: US dollar  
Weight Unit: metric tonnes  
Size: Large buyer distribution-sector buyer  
Timing: Delivery before month end  
Pricing: Business reported on ex-mill basis – no inter-trade activity  
Duties/Tariffs: Ex-VAT

### **China - Export**

Grade: CMP304, 316 plate, 15-25mm in sheet.  
Price basis: cif, duty unpaid  
Type: Spot  
Currency: US dollar  
Weight Unit: metric tonnes  
Size: Large buyer distribution-sector buyer  
Timing: Delivery before month end  
Pricing: Business reported on cif basis – no inter-trade activity  
Duties/Tariffs: Ex-VAT

## Glossary of abbreviations

### INCO TERM RULES FOR ANY MODE OR MODES OF TRANSPORT:

- EXW – Ex-Works
- FCA – Free Carrier
- CPT – Carriage Paid To
- CIP – Carriage and Insurance Paid To
- DAT – Delivered at Terminal
- DAP – Delivered at Place
- DDP – Delivered Duty Paid

### INCO TERM RULES FOR SEA AND INLAND WATERWAY TRANSPORT:

- FAS – Free Alongside Ship
- FOB – Free On Board
- CFR – Cost and Freight
- CIF – Cost Insurance and Freight

### COUNTRY ABBREVIATIONS USED:

We use ISO 3166 alpha-2 standard country codes