

CRU Prices

Nickel

Methodology and
Definitions Guide

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THE INDEPENDENT AUTHORITY
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Methodology and Definitions Guide - Nickel

1 Scope

This guide covers nickel premia 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

CRU collects nickel premia part of its assessment of broader market conditions that are published in the Nickel Monitor. These premia are gathered from regular discussions with a wide network of market participants. This network is frequently reviewed to ensure a balance of buyers and sellers, and to reflect actual activity in the market. CRU also conducts consultations with the market about its methodology – all answers are treated as confidential.

Assessment Method

Analysts use telephone, electronic messaging and email services to collect premia as well as to verify the information received. We endeavour to record actual transactions, but also include bids, offers and other market information. More weighting is given to transactions when assessing a price from a range of possible levels.

Price determination in an illiquid market

Data is gathered through consultation with producers, consumers and traders. Published premia reflect the average of the deals concluded within the time frame under consideration. Outliers are excluded from the assessment. If a market has been quiet with no deals concluded, premia are rolled over. However, if the overall market trend is strongly upward or downward but there were no transactions concluded, bids, offers and other market information will be used to form the assessment.

Exclusion of outliers

Expert judgement may be used in the exclusion of a data point as an input to the calculation of a final price. In doing so consideration may be given to the range and distribution of data collected in the same timeframe from other data providers; previous data received from the same data provider; non-price information received from the data provider and the current market state from any other source. Inclusion or exclusion of input data in the final price is recorded.

Any data that deviates from the previous assessed range or the collected data for the trading period will receive extra scrutiny. For example, if a transaction is considered to be a potential outlier, supporting documentation as a means of further authentication may be asked for. Supporting documentation is typically a contract or purchase/sales order, but other documentation may be accepted. Supporting documentation may not be asked for when, in CRU's judgement, the data is otherwise corroborated or deemed valid.

Expert Judgement

Expert judgement may apply to decisions on what type of data is submitted; if the deal is executed at arms-length; if normalisation of price data submitted is required; the means of any normalisation, and the inclusion of a data point in the calculation of the final price (exclusion of outliers).

An analyst will consult with one or more colleagues before any application of expert judgement if in any doubt, or where collective input would improve the quality of a judgement.

Deactivated premiums, discounts and charges

A premium will remain active as long as it can be demonstrated that there are a sufficient number of buyers and sellers and/or traders which allow for the analyst to make an accurate assessment. If the quotation suffers from limited transparency or if business dynamics change, it will be deactivated. Its history will still be available to clients for a fee, should they require it, but no further information will be collected for that product from the time it is deactivated.

Final Publication

CRU nickel premia prices are published monthly in the *CRU Nickel Monitor*, associated *Nickel Prices Basket*, via FTP data feeds and available in DataLab.

3 Definitions

Nickel Premia

US Cut Cathode Premium DDP

DataLab Name:	Nickel, Cathode, Cut, Spot price; USA, DDP
Grade:	4x4 cut cathode, 99.8%min Ni
Price basis:	US delivered
Credit/Payment terms:	Cash/Net 30
Loading Location:	Major US ports/warehouse
Type:	Spot
Currency:	US dollar in cents
Weight Unit:	Pounds
Size:	10 mt to 20 mt (partial and full truckloads)
Timing:	No more than 8 weeks forward
Main Consumer Markets:	US terminals/locations
Pricing:	Business reported by sellers to buyers – no inter-trade activity
Duties/Tariffs:	Duty paid

US Briquette Premium DDP

DataLab Name:	Nickel, Briquette, Spot premium; USA, DDP
Grade:	99.8%min Ni
Price basis:	US delivered
Credit/Payment terms:	Cash/Net 30
Loading Location:	Major US ports/warehouse
Type:	Spot
Currency:	US dollar in cents
Weight Unit:	Pounds
Size:	10 mt to 20 mt (partial and full truckloads)
Timing:	No more than 8 weeks forward
Main Consumer Markets:	US terminals/locations
Pricing:	Business reported by sellers to buyers – no inter-trade activity
Duties/Tariffs:	Duty paid

EU Cut Cathode Premium EXW

DataLab Name:	Nickel, Cathode, Cut, Spot premium; Netherlands, Rotterdam, EXW
Grade:	4x4 cut cathode, 99.8%min Ni
Price basis:	Europe ex-warehouse
Credit/Payment terms:	Cash/Net 30
Loading Location:	Major Europe ports/warehouse
Type:	Spot
Currency:	US dollar
Weight Unit:	Tonne
Size:	2mt to 10mt (small lots and partial truckloads)
Timing:	No more than 8 weeks forward
Main Consumer Markets:	Europe terminals/locations
Pricing:	Business reported by sellers to buyers – no inter-trade activity
Duties/Tariffs:	Duty paid

EU Briquette Premium EXW

DataLab Name:	Nickel, Briquette, Spot premium; Netherlands, Rotterdam, EXW
Grade:	99.8%min Ni
Price basis:	Europe ex-warehouse
Credit/Payment terms:	Cash/Net 30
Loading Location:	Major Europe ports/warehouse
Type:	Spot
Currency:	US dollar
Weight Unit:	Tonne

Size:	2mt to 10mt (small lots and partial truckloads)
Timing:	No more than 8 weeks forward
Main Consumer Markets:	Europe terminals/locations
Pricing:	Business reported by sellers to buyers – no inter-trade activity
Duties/Tariffs:	Duty paid

US Plating Premium EXW *[Discontinued]*

DataLab Name:	Nickel, Plating, Spot premium; USA, EXW
Grade:	Daily price based on LME settlement plus a North American premium
Price basis:	US ex-warehouse
Credit/Payment terms:	Cash/Net 30
Loading Location:	Major US ports/warehouse
Type:	Spot
Currency:	US dollar in cents
Weight Unit:	Pounds
Size:	10 mt to 20 mt (partial and full truckloads)
Timing:	No more than 8 weeks forward
Main Consumer Markets:	US terminals/locations
Pricing:	Business reported by sellers to buyers – no inter-trade activity
Duties/Tariffs:	Duty paid

EU Plating Premium EXW *[Discontinued]*

DataLab Name	Nickel, Plating, Spot premium; Netherlands, Rotterdam, EXW
Grade:	99.8%min Ni
Price basis:	Europe ex-warehouse
Credit/Payment terms:	Cash/Net 30
Loading Location:	Major Europe ports/warehouse
Type:	Spot
Currency:	US dollar
Weight Unit:	Tonne
Size:	2mt to 10mt (small lots and partial truckloads)
Timing:	No more than 8 weeks forward
Main Consumer Markets:	Europe terminals/locations
Pricing:	Business reported by sellers to buyers – no inter-trade activity
Duties/Tariffs:	Duty paid

EU Full-Plate Cathode EXW

DataLab Name:	Nickel, Cathode, Full-Plate, Spot Premium; Netherlands, Rotterdam, EXW
Grade:	99.8%min Ni
Price basis:	Europe ex-warehouse
Credit/Payment terms:	Cash/Net 30
Loading Location:	Major Europe ports/warehouse
Type:	Spot
Currency:	US dollar
Weight Unit:	Tonne
Size:	2mt to 10mt (small lots and partial truckloads)
Timing:	No more than 8 weeks forward
Main Consumer Markets:	Europe terminals/locations
Pricing:	Business reported by sellers to buyers – no inter-trade activity
Duties/Tariffs:	Duty paid

China Full-Plate Cathode CIF

Grade:	Full plate, 99.8%min Ni
Price basis:	CIF China, Shanghai
Credit/Payment terms:	Cash against document, Letter of credit, telegraphic transfer, and other terms normalized.
Location:	CIF China
Type:	Spot

Currency:	US dollar
Weight Unit:	Tonne
Size:	2mt to 10mt (small lots and partial truckloads)
Timing:	Within 6 weeks
Pricing:	Business reported by sellers to buyers – no inter-trade activity
Duties/Tariffs:	VAT Included
Frequency:	Monthly

China Briquette Premium CIF

Grade:	Briquette, 99.8%min Ni
Price basis:	CIF China, Shanghai
Credit/Payment terms:	Cash against document, Letter of credit, telegraphic transfer, and other terms normalized.
Location:	CIF China
Type:	Spot
Currency:	US dollar
Weight Unit:	Tonne
Size:	2mt to 10mt (small lots and partial truckloads)
Timing:	Within 8 weeks
Pricing:	Business reported by sellers to buyers – no inter-trade activity
Duties/Tariffs:	Duty free
Frequency:	Monthly