

CRU Prices

Stainless Steel
Methodology and
Definitions Guide

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|---|----------|
| CRU Prices..... | 1 |
| Methodology and Definitions Guide – Stainless Steel | 3 |
| 1 Scope | 3 |
| 2 Methodology | 3 |
| 3 Definitions | 5 |
| Stainless Steel Sheet CR304, 316, 430, 409, 2MM..... | 5 |
| Europe..... | 5 |
| USA - Producer | 5 |
| USA - East Coast Import | 5 |
| USA - West Coast Import | 5 |
| Asia - Japan | 5 |
| China - Export..... | 6 |
| China - Producer | 6 |
| China - Trader | 6 |
| Taiwan, China - Export | 6 |
| Taiwan, China - Trader | 6 |
| Stainless Steel Quarto Plate 304, 316 | 7 |
| Europe..... | 7 |
| USA - Producer | 7 |
| USA - East Coast Import | 7 |
| USA - West Coast Import | 7 |
| Asia - Japan | 7 |
| China - Export..... | 8 |
| Stainless Steel Sheet CMP304, 316 | 8 |
| Europe..... | 8 |
| USA - Producer | 8 |
| USA - East Coast Import | 8 |
| USA - West Coast Import | 8 |
| Asia - Japan | 9 |
| China - Export..... | 9 |

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
 Frequency: Monthly
 Duties/Tariffs: Ex-VAT

China – Producer (is this price live?)

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

Taiwan, China - 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
 Frequency: Monthly
 Duties/Tariffs: Ex-VAT

Taiwan, China - Trader

Grade: Cold-rolled 304, 316, 430, 1.8-2.0mm sheet (local prices quoted in coil).
 Price basis: ex-warehouse
 Type: Spot
 Currency: NDT
 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
Frequency: Monthly
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
Frequency: Monthly
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

Frequency: Monthly

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