

## CRU Prices

Zinc

Methodology and  
Definitions Guide

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# Methodology and Definitions Guide – Zinc

## 1 Scope

This guide covers refined zinc 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 zinc premia as part of its assessment of broader market conditions that are published in the Zinc 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.

### Frequency

All premia are assessed once per month and reflect deals concluded and market information since the last publication.

### 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.

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.

### Price determination in an illiquid market

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.

### Normalisation

The final premium is assessed based on all data received by all permissible means. Data which meet the precise definitions below are eligible for admission without any transformation. Data which do not will be subject to a normalisation process in order to adjust for delivery basis etc.

### Exclusion of outliers

An analyst may use expert judgement in the exclusion of a data point as an input to the calculation of the final price. In doing so they would consider: 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; market state and direction information from any other source. Inclusion or exclusion of input data in the final price is explicit and recorded.

### Expert judgement

Expert judgement may apply to decisions on whether price data submitted relate to actual deals concluded, if normalisation of price data submitted is required and the means of any normalisation, and the inclusion of a data point in calculation of the final price.

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 premia, prices and charges

A premium assessment will remain active as long as there are sufficient buyers, sellers and/or traders for the analyst to make an accurate assessment. If the quotation suffers from limited transparency or if business dynamics change, it may be deactivated following market consultation. Its history will still be available, but no further information will be collected for that assessment from the time it is deactivated.

### Specifications

Transaction sizes and specifications are listed in the definitions below.

**Timing**

Spot assessments typically reflect transactions for a product to be supplied within 30 days.

**Final publication**

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

### 3 Definitions

#### Zinc premia

##### Europe – FCA

<b>DataLab Name:</b>	Zinc, Refined Metal, Spot premium; Europe, FCA
<b>Material:</b>	SHG zinc ingot
<b>Price basis:</b>	FCA
<b>Credit/payment terms:</b>	Prompt net cash
<b>Packaging:</b>	In 1 tonne bundles
<b>Loading location:</b>	Northern Europe
<b>Type:</b>	Spot
<b>Currency:</b>	US dollar
<b>Weight unit:</b>	Metric tonne
<b>Size:</b>	100-500t
<b>Delivery:</b>	Prompt
<b>Pricing:</b>	Basis the Official LME cash settlement price for zinc at the time of contract confirmation, plus premium
<b>Duties/tariffs:</b>	2.5% import duty on material of non-EU origin
<b>Frequency:</b>	Monthly

##### Europe – Ex Works/In Warehouse *[Discontinued]*

<b>DataLab Name:</b>	Zinc, Refined Metal, Spot premium; Europe, EXW
<b>Material:</b>	SHG zinc ingot
<b>Price basis:</b>	Ex works/in warehouse
<b>Credit/payment terms:</b>	Prompt net cash
<b>Packaging:</b>	In 1 tonne bundles
<b>Loading location:</b>	Northern Europe
<b>Type:</b>	Spot
<b>Currency:</b>	US dollar
<b>Weight unit:</b>	Metric tonne
<b>Size:</b>	100-500t
<b>Delivery:</b>	Prompt
<b>Pricing:</b>	Basis the Official LME cash settlement price for zinc at the time of contract confirmation, plus premium
<b>Duties/tariffs:</b>	2.5% import duty on material of non-EU origin
<b>Frequency:</b>	Monthly

##### USA – Midwest Delivered

<b>DataLab Name:</b>	Zinc, Refined Metal, Spot premium; USA, Midwest, DDP
<b>Material:</b>	SHG zinc ingot
<b>Price basis:</b>	Mid-West delivered
<b>Credit/payment terms:</b>	Net cash 30 days
<b>Packaging:</b>	In 1 tonne bundles
<b>Loading location:</b>	North America
<b>Type:</b>	Spot
<b>Currency:</b>	US cent
<b>Weight unit:</b>	US pound (basis short ton = 2,000 lbs)
<b>Size:</b>	100-500t
<b>Timing:</b>	Prompt business for delivery within 1-2 weeks.
<b>Pricing:</b>	Basis the official LME cash settlement price for zinc at the time of contract confirmation, plus premium
<b>Duties/tariffs:</b>	1.5% import duty on material of non-USMCA origin
<b>Frequency:</b>	Monthly

## Taiwan, China – CIF

### DataLab Name:

Material:  
Price basis:  
Credit/payment terms:  
Packaging:  
Loading location:  
Type:  
Currency:  
Weight unit:  
Size:  
Delivery:  
Pricing:

Duties/tariffs:  
Frequency:

### Zinc, Refined Metal, Spot Premium; Taiwan (China), CIF

SHG zinc ingot  
CIF Taiwan, China  
Prompt net cash  
In 1 tonne bundles  
Nearby ports  
Spot  
US dollar  
Metric tonne  
100-500t  
Prompt within 1-2 weeks  
Basis the official LME cash settlement price for zinc at the time of contract confirmation, plus premium  
N/A  
Monthly

## China – CIF

### DataLab Name:

Material:  
Price basis:  
Credit/payment terms:  
Packaging:  
Loading location:  
Type:  
Currency:  
Weight unit:  
Size:  
Delivery:  
Pricing:

Duties/tariffs:

Frequency:

### Zinc, Refined Metal, Spot premium; China, CIF

SHG zinc ingot  
CIF main Chinese port (duty unpaid)  
Prompt net cash  
In 1 tonne bundles  
Nearby ports  
Spot  
US dollar  
Metric tonne  
100-500t  
Prompt within 1-4 weeks  
Basis the official LME cash settlement price for zinc at the time of contract confirmation, plus premium  
1%  
11%: USA  
Duty free: ASEAN, Australia, South Korea, Peru, EEU  
Monthly