

CRU Prices

Lead

Methodology and
Definitions Guide

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Methodology and Definitions Guide – Lead

1 Scope

This guide covers refined lead premia and lead scrap prices 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

Lead

CRU collects lead premia and lead scrap prices as part of its assessment of broader market conditions that are published in the Lead Monitor. These premia and scrap prices 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 and scrap prices 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 and scrap prices 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 and scrap prices 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 and scrap prices 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 or scrap price 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 and scrap price 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 Lead prices are published monthly in the CRU Lead Monitor, associated Lead Prices Basket and via FTP data feeds and available in DataLab.

3 Definitions

Lead premia

Europe – Ex Works (discontinued)

DataLab Name:	Lead, Secondary Metal, Spot premium; Europe, EXW
Material:	Secondary soft lead (99.97% lead purity, LME standard specification)
Price basis:	Ex works
Credit/payment terms:	Prompt net cash
Packaging:	Typically 1 tonne bundles
Loading location:	Northern Europe
Type:	Spot
Currency:	Euro
Weight unit:	Metric tonne
Size:	Varies, typically trades of 100-500t
Delivery:	Prompt business for delivery within month
Pricing:	Basis the average monthly official LME cash settlement price, plus premium
Duties/tariffs:	2.5% import duty on material of non-EU origin
Frequency:	Monthly

USA – Delivered

DataLab Name:	Lead, Secondary Metal, Spot premium; USA, delivered
Material:	Secondary soft lead (99.97% lead purity, LME standard specification)
Price basis:	Mid-West delivered
Credit/payment terms:	Prompt net cash
Packaging:	Typically 1 tonne bundles
Loading location:	Mid-West USA
Type:	Spot
Currency:	US dollar
Weight unit:	Imperial pound
Size:	Varies, typically trades of 100-500t
Timing:	Prompt business for delivery within month
Pricing:	Basis the average monthly official LME cash settlement price, plus premium
Duties/tariffs:	1.5% import duty on material of non-USMCA origin
Frequency:	Monthly

Lead scrap prices

Europe – Delivered

DataLab Name:	Lead, Scrap Battery, Merchant price; Europe, EXW
Material:	Whole undrained (wet) used lead-acid automotive battery (ULAB)
Price basis:	Delivered (equivalent to DAP to smelter)
Credit/payment terms:	Cash upon arrival at smelter gates or up to 30 days
Packaging:	Bulk trailers/skids or uniformly palletized to EU standards
Loading location:	Western mainland Europe
Type:	Spot
Currency:	Euro
Weight unit:	Metric tonne
Size:	Typically quoted by 'truckload', which equates to 20 tonnes of ULABs. Some merchants deal in larger quantities of 100-500 tonnes of ULABs
Delivery:	Prompt business for picking up within 1-2 weeks. Larger quantities of 100-500 tonnes within 1 month
Pricing:	Basis the gross weight of whole undrained (wet) used lead-acid automotive battery
Duties/tariffs:	None
Frequency:	Monthly

UK – Delivered

DataLab Name:

Material:	Lead, Scrap Battery, Merchant price; UK, EXW
Price basis:	Whole undrained (wet) used lead-acid automotive battery (ULAB)
Credit/payment terms:	Delivered (equivalent to DAP to smelter)
Packaging:	Cash upon arrival at smelter gates or up to 30 days
Loading location:	Bulk trailers/skips or uniformly palletized to EU standards
Type:	UK
Currency:	Spot
Weight unit:	British pound
Size:	Metric tonne
Delivery:	Typically quoted by 'truckload', which equates to 20 tonnes of ULABs. Some merchants deal in larger quantities of 100-500 tonnes of ULABs
Pricing:	Prompt business for picking up within 1-2 weeks. Larger quantities of 100-500 tonnes within 1 month
Duties/tariffs:	Basis the gross weight of whole undrained (wet) used lead-acid automotive battery
Frequency:	None
	Monthly

USA – Picked up

DataLab Name:

Material:	Lead, Scrap Battery, Merchant price; USA, EXW
Price basis:	Whole undrained (wet) used lead-acid automotive battery (ULAB)
Credit/payment terms:	Picked up (equivalent to ex-works scrap seller to smelter)
Packaging:	Cash upon arrival at smelter gates or up to 30 days
Loading location:	Uniformly palletized to BCI standards
Type:	Mid-West USA
Currency:	Spot
Weight unit:	US dollar
Size:	Imperial pound
Delivery:	Typically quoted by 'truckload', which equates to 22 short tons (20 metric tonnes) of ULABs.
Pricing:	Prompt business for picking up within 1-2 weeks.
Duties/tariffs:	Basis the gross weight of whole undrained (wet) used lead-acid automotive battery
Frequency:	None
	Monthly