

# Methodology and Specifications Guide

## Metals Timing and Increment Guidelines

Latest update: November 2020

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## INTRODUCTION

S&P Global Platts assesses the value of commodities globally using its Market on Close (MOC) assessment process, and Platts assessments are designed to reflect repeatable market value at the close of the assessment process.

In order to ensure that all firm bids and offers that still stand at the close of the MOC process have been fully tested in the market at large, Platts has established clearly defined timing guidelines and standards of incrementability that apply when publishing firm bids and offers in the MOC process.

All timings and increments have been established by Platts after an analysis of typical market movements and behavior, and as such differ among commodities and locations. Platts periodically reviews these published standards to ensure they remain relevant and appropriate, and seeks to notify market participants ahead of any change to them.

### Metals Timing Guidelines

Timing cut-offs for the submission and subsequent publication of bids and offers are applied so that price information is available to the market in a clear and orderly manner, and to ensure that every bid and offer published by Platts is logistically executable.

Following the timing cut-off for new bids and offers, only the

price can be changed. In markets, where price information and logistics may be more complex, Platts will not publish price changes to standing bids and offers close to the end of the MOC process. This is to ensure that those bids and offers fully test market value.

Following any trade, the original on-screen seller/buyer must revert immediately as to whether or not they are prepared to reoffer or rebid. An intention to rebid or reoffer must be received by Platts within a reasonable time frame after the trade depending on the specific market.

In some markets if there is a change in price to a standing bid or offer; or a rebid or reoffer following a trade, near to the close of the MOC process, this triggers an extension state. This is to adequately test the repeatability of that bid or offer.

### Metals Increment Guidelines

In order to ensure that all published MOC data is fully tested in the market, Platts has also established incrementability guidelines, which detail how quickly bids and offers may be improved when they have been published, and by what amount.

Platts may notify the market of any adjustment to the standard increments in the event of market volatility or a disruptive event. A market participant can withdraw a bid or offer from the Platts MOC process at any time, so long as no other potential trading counterparty has indicated that it has interest to buy or sell into

the bid/offer.

The incrementability guidelines do not apply to bids and offers that are moving away from market value, though Platts analyzes bids and offers that are moved lower, and higher, respectively, to ensure reasonability.

### General Principles

Platts synchronizes its computer clocks daily in order to ensure that the cut-off points for new bids and offers, price changes and the market's close are accurate.

The timing guidelines are subject to change due to holiday schedules, which can be found at <https://www.spglobal.com/platts/en/our-methodology/holiday>.

The timing cut-offs and standards of incrementability vary across the regions and markets assessed, and details can be found in the following tables.

The various product categories in the tables broadly cover details of individual markets. For full details on specifications, including volume and loading/delivery timings, as well as further details on Platts MOC data publishing principles, please refer to the methodology guides at <https://www.spglobal.com/platts/en/our-methodology/methodology-specifications/metals>.

## METALS TIMING GUIDELINES

Region	Time	Product Category	Outright or Spread	Market type	MOC Environment	No more new bids/offers (Pricing State)	Reaction time to repeat order (Repeatability)	No more price changes (Final State)	Market Close	Repeat/Change of an order which triggers extension of the window (Extension trigger period)	Period of testing the repeatability of an order repeated/changed near the close (Extension state)
<b>Iron Ore</b>											
Asia	Singapore time	Medium Grade Fines (IODEX)	Outright/Spread	Cargoes	Window	17.00.00	Within 60 secs	17.25.00	17.30.00	N/A	N/A
Asia	Singapore time	Low Grade Fines (58%)	Outright/Spread	Cargoes	Window	17.00.00	Within 60 secs	17.25.00	17.30.00	N/A	N/A
Asia	Singapore time	High Grade Fines (65%)	Outright/Spread	Cargoes	Window	17.00.00	Within 60 secs	17.25.00	17.30.00	N/A	N/A
Asia	Singapore time	Lump	Spread	Cargoes	Window	17.00.00	Within 60 secs	17.25.00	17.30.00	N/A	N/A
Asia	Singapore time	Pellet	Spread	Cargoes	Window	17.00.00	Within 60 secs	17.25.00	17.30.00	N/A	N/A
Asia	Singapore time	Medium Grade Fines (E.C. IOPEX)	Outright	Port stocks	Window	17.00.00	Within 30 secs	17.28.00	17.30.00	N/A	N/A
Asia	Singapore time	Medium Grade Fines (N.C. IOPEX)	Outright	Port stocks	Window	17.00.00	Within 30 secs	17.28.00	17.30.00	N/A	N/A
Asia	Singapore time	62% Fe Derivatives	Outright	Derivatives	Window	17.00.00	Within 60 secs	17.28.00	17.30.00	N/A	N/A
<b>Alumina</b>											
Asia	Singapore time	Alumina FOB Australia	Outright	Cargoes	Window	16.00.00	Within 5 mins	17.25.00	17.30.00	N/A	N/A
<b>Aluminum</b>											
US	Eastern time	P1020 aluminum	Outright/Spread	Truck/railcars	Window	15.30.00	Within 2 mins	16.28.00	16.30.00	16.29.00 to 16.30.00	16.30.01 to 16.32.00

**METALS INCREMENT GUIDELINES**

Region	Product Category	Outright or Spread	Market Type	MOC Environment	Delivery/loading period	Volume		Price Movement Increment		Unit	Frequency
						Min	Max	Min	Max		
<b>Iron Ore</b>											
Asia	Medium Grade Fines (IODEX)	Outright	Cargoes	Window	Delivery 14-56 days forward	50,000 mt	NA	0.05	0.25	\$/dmt	per 5 minutes
Asia	Low Grade Fines (58%)	Outright	Cargoes	Window	Delivery 14-56 days forward	50,000 mt	NA	0.05	0.25	\$/dmt	per 5 minutes
Asia	High Grade Fines (65%)	Outright	Cargoes	Window	Delivery 14-56 days forward	50,000 mt	NA	0.05	0.25	\$/dmt	per 5 minutes
Asia	Medium Grade Fines (IODEX)	Spread	Cargoes	Window	Delivery 14-56 days forward	50,000 mt	NA	0.05	0.10	\$/dmt	per 5 minutes
Asia	Low Grade Fines (58%)	Spread	Cargoes	Window	Delivery 14-56 days forward	50,000 mt	NA	0.05	0.10	\$/dmt	per 5 minutes
Asia	High Grade Fines (65%)	Spread	Cargoes	Window	Delivery 14-56 days forward	50,000 mt	NA	0.05	0.10	\$/dmt	per 5 minutes
Asia	Lump	Spread	Cargoes	Window	Delivery 14-56 days forward	50,000 mt	NA	0.001	0.005	\$/dmtu	per 5 minutes
Asia	Pellet	Spread	Cargoes	Window	Delivery 14-56 days forward	35,000 mt	NA	0.05	0.25	\$/dmt	per 5 minutes
Asia	Medium Grade Fines (E.C. IOPEX)	Outright	Port stocks	Window	Prompt delivery at ports	5,000 mt	50,000 mt	0.50	2.50	Yuan/wmt	per 2 minutes
Asia	Medium Grade Fines (N.C. IOPEX)	Outright	Port stocks	Window	Prompt delivery at ports	5,000 mt	50,000 mt	0.50	2.50	Yuan/wmt	per 2 minutes
Asia	62% Fe Derivatives	Outright	Derivatives	Window	N/A	5,000 mt		0.05	0.25	\$/dmt	per 2 minutes
<b>Alumina</b>											
Asia	Alumina FOB Australia*	Outright	Cargoes	Window	Loading 14-60 days forward	30,000 mt	35,000 mt	0.5	1.00	\$/mt	per 5 minutes
<b>Aluminum</b>											
US	P1020 aluminum	Outright/Spread	Truck/railcars	Window	Delivery 7-30 days forward	20 mt	1,000 mt	0.05	0.25	cents/lb	per 5 minutes

## REVISION HISTORY

**November 2020:** Platts added timing and increment guidelines for the US aluminum market. Platts conducted an annual review and clarified guidelines for fines derivatives, as well as updating the minimum price movement increment for Iron ore port stocks.

**December 2019:** Completed annual guide review. Added the introduction to the guidelines and general principles. Added guidelines for Alumina in Asia.

**September 2018:** Completed annual methodology review

**January 2018:** Updated to reflect methodology changes to IODEX price series.

**November 2017:** Updated to indicate full-reflection of index-linked indications in the MOC process.

**July 2017:** Platts published its Iron Ore MOC Timing & Increment Guidelines to provide market participants with the clear operating parameters of the assessment process.