



Iron Ore Methodology Document

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About Metals Market Index

Metals Market Index “MMi” is a price reporting agency “PRA” , based in Singapore, specializing in compiling and publishing spot price benchmarks for commodity markets around the world. It is an impartial organization, with no involvement in the production or trading of commodities. MMi applies a rigorous, data-driven methodology to compile indices that reflect average spot market prices. All data and process steps used in each index calculation can be readily verified. Its methodology is aligned with IOSCO principles, ensuring its published indices are suitable for use not only by physical market participants but also by financial institutions as price benchmarks in the settlement of contracts.

Introduction

This methodology document describes the procedures and standards used by MMi in collecting data and calculating its iron ore price indices, together with the full specifications of these indices. It is designed to enable readers to understand how MMi compiles indices which are representative of average spot market prices.

This document is freely available on www.mmiprices.com for public review.

MMi strives at all times to maintain best possible practices in compiling its price indices. As commodity markets evolve, therefore, so do MMi’ s indices. A record of amendments made to this methodology over time is provided at the end of this document. MMi’ s index publication calendar and times are available on its website (www.mmiprices.com). Whilst MMi will endeavor to the best of its abilities

to publish all its indices on the dates and times stated, these dates and times are subject to change, for example in situations such as power failure or terrorism, or other events that could affect MMi's ability to operate normally. MMi will, to the extent possible, do its best to communicate in advance any delay in index publication or changes to its publication schedules.

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Section 1: describes the data MMi collects for the compilation of its indices and the various processes through which MMi receives the data.

Section 2: outlines what MMi does with the data it collects. This includes a detailed description of the steps MMi undertakes to screen, clean, normalize and ultimately calculate its price indices. It also describes how MMi ensures it has a robust data set from which to compile each index each day, the weighting allocated to different categories of price submissions in the index calculation process and how MMi ensures that no single market participant has too much influence on an index.

Section 3: MMi has standards in place governing the procedures followed to compile and publish its indices. The standards also cover the procedures used for making any changes to a methodology, issuing any corrections needed, handling enquiries and complaints, training and reviewing staff. This section describes the processes followed for ensuring that the compilation of MMi price indices and issuing any corrections comply with MMi standards.

Section 4: lays out how to get in contact with the MMi team for enquiries or to

raise a complaint. It also describes MMi's policies for handling complaints.

Section 5: contains the full specifications for the indices covered and the permissible ranges for data submissions.

Section 6: lists the history of amendments made to this methodology document.

Section 1: Data

Section 1.1 - Data collection and units

As data is core to the compilation of its indices, MMi aims to collect as much relevant trading data as possible each day and ensure that this data is representative of arms' length spot market transaction prices.

Parties providing data to MMi are known as "Data Providers". Data Providers can be: - physical market participants directly involved in the buying or selling of relevant products on a spot price basis, or
- electronic trading platforms on which trades of relevant physical products by market participants take place transparently and according to the defined procedures of the platforms.

Relevant products are defined as those with specifications and trading terms within the ranges defined as permissible for an MMi index, as listed in Section 5. Negotiated term-contract prices are not relevant.

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For full version of Shanghai Metals Market MMi Iron Ore Methodology, please

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