

# TSI ASEAN HRC-Based Singapore Exchange Steel Derivatives Well Received

The Steel Index (TSI)-Based Steel Futures and Swaps Complete First Month

PR Newswire  
SINGAPORE

SINGAPORE, March 26, 2014 /PRNewswire/ -- The Singapore Exchange's (SGX) newly introduced steel futures and swaps contracts, which were launched in February and based on the daily spot ASEAN hot rolled coil (HRC) imports price index of [The Steel Index \(TSI\)](#), saw solid industry support in their first month of trading.

TSI, a unit of Platts since 2011, is a leading specialist source of impartial steel, scrap, iron ore and coking coal price information based on spot market transactions. [Founded in 1909](#), Platts is a leading global provider of energy, petrochemical, metals and agriculture information and benchmark price references.

"We're pleased to see that there was immediate industry interest in the [TSI-cleared Asia steel derivatives](#), a testament to the market trust we've earned and the important role that TSI plays in price discovery," said Tim Hard, TSI director for Asia. "In the first 25 days, the number of lots cleared has even exceeded the level achieved for SGX's highly successful iron ore contract by 6%."

Reflecting a "pan-Asian" price, TSI's HRC Index for ASEAN imports strongly correlates with flat rolled steel prices throughout north and south Asia and also China's domestic and export prices.

According to the World Steel Association, total flat rolled steel products, which includes HRC, cold-rolled coil, galvanized and plate, account for approximately 48% of the 1.4 billion metric tons of steel consumed globally each year, with Asia being the largest market regionally.

With last month's SGX steel derivatives launch, the Asian financial and commodities exchange now utilizes TSI physical price benchmarks as the basis for settling two series of swaps and futures contracts. Since 2009, The TSI Iron Ore 62% Fe fines reference price has been the basis for settling and clearing SGX iron ore derivatives.

The TSI HRC Imports index takes into consideration pricing data to 10 ASEAN countries: Brunei, Burma (Myanmar), Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, and Vietnam. The pricing point for TSI's ASEAN HRC imports price index is cost and freight (CFR) Singapore. For more details on the methodology that underpins the TSI index visit <https://www.thesteelindex.com/en/procedures-methodology/>.

SGX is only the latest exchange to announce TSI-based derivatives contracts. LCH.Clearnet, a leading multi-asset class, multi-national clearing house for exchanges and OTC markets, and CME Clearing Europe, an independent European clearing house, utilize TSI prices in the settlement of European hot rolled coil steel

contracts and Turkish scrap imports contracts, respectively. In all cases, settlement prices are the averages of TSI's reference prices published in the expiring month.

Published on a daily basis, the TSI HRC index for ASEAN imports appears in email price reports and online within the [TSI Price Analyzer](#) via [subscription](#) to TSI's Global and Steel services.

For more information on TSI, visit the website at <https://www.thesteelindex.com>. For more information on Platts, visit [www.platts.com](http://www.platts.com).

*Note: Platts and its TSI unit do not sponsor, endorse, promote or sell SGX contracts.*

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