



SPIMEX launches on-exchange trading in thermal coal with prices adjusted for quality

SPIMEX launched on-exchange trading in thermal coal based on a new system of adjusting the contract price for actual quality of the delivered commodity. At the trades held on 10 February 2023 deals in D Grade coal were made.

The trading model that envisages an adjustment of the exchange contract price depending on the actual quality of the delivered commodity was set specifically for commodities with varied quality characteristics.

Development of the model and the launch of on-exchange trading are in line with the objectives set by the Russia's 2021-2025 National Competitiveness Promotion Plan approved by Russian Government decree No. 2424-r dated 2 September 2021.

The launch of on-exchange trading in thermal coal under the new model that takes into account business practices in the coal market makes it significantly easier to ensure that producers comply with the requirements of Joint Order No. 583/22/816 dated 15 August 2022 of the Federal Antimonopoly Service of Russia (FAS) and the Russian Energy Ministry "On approval of the minimum amount of coal sold on the commodity exchange and requirements applicable to on-exchange trading, at which deals in coal are made by an entity holding a dominant position in the respective commodity market".

Note:

The trading model with adjustment of the on-exchange contract price for actual quality of the delivered commodity has been developed by SPIMEX specifically for introducing commodities with fluctuating quality characteristics to the Russian on-exchange commodity market. In accordance with the new model commodities of standard quality, for which a market price is set and price indices are calculated, are traded in the SPIMEX Electronic Trading System. When the exchange-traded commodities are delivered, the supplier takes samples of the commodities and sends them to an independent laboratory accredited by the Exchange.

The Saint Petersburg International Mercantile Exchange (SPIMEX) is Russia's largest commodity exchange offering a wide range of products traded both in its Commodities Section (refined oil products, crude oil, natural gas, LPG, timber and construction materials, fertilizers) and in its Derivatives Section. The Exchange's key task is to operate a transparent, fair and efficient price formation mechanism for Russian commodities. SPIMEX was founded in 2008.