

DGCX announces new Approved Producers for its proposed Steel Rebar Futures Contract

- *New wave of approvals includes leading Turkish producers – Izmir Demir Celik Sanayi AS, Ekinciler Iron & Steelworks Inc. and Diler Iron and Steel Co Inc.*

- *Dubai rebar price set to be a benchmark price for regional rebar*

Dubai, October 18, 2007: In advance of its upcoming Steel Rebar Futures Contract, DGCX, the region's first international commodities derivatives exchange, today announced the new batch of Approved Producers for the contract.

DGCX Steel Rebar Futures, the world's first internationally accessible exchange-traded instrument, is set to be launched on October 29. The new wave of approvals includes leading Turkish producers - Izmir Demir Celik Sanayi AS, Ekinciler Iron & Steelworks Inc. and Diler Iron and Steel Co Inc.

The listing of new Approved Producers considerably expands the palette of rebar products that will be traded. The approvals aim to provide buyers and sellers a clear indication of the specifications and brands of steel rebar that will be priced, traded and delivered.

Explaining the initiative, Ahmed Bin Sulayem, Director, DGCX, said, "As the Middle East's first commodity derivatives exchange, DGCX is committed to the development of futures trade. Since its inception, the exchange has brought some of the most innovative products to the region, enhancing value for investors and adding depth to the overall derivatives market. The Steel Rebar Futures Contract will be another 'first' for DGCX. The listing of

Approved Producers for steel is aimed at maximizing transparency and standardization of product quality."

Izmir Demir Celik Sanayi AS, Ekinciler Iron & Steelworks Inc. and Diler Iron and Steel Co Inc. join the initial list of producers announced earlier this month by DGCX. These included Al Tuwairqi Group (Al Ittefaq Steel Products) and Sabic Steel (Hadeed) from Saudi Arabia and Qatar Steel Company from Qatar.

Elaborating further, John Short, Executive Director, Steel and Base Metals, Dubai Multi Commodities Centre, said, "The new approvals are a key step forward in the process of launching the DGCX Steel Rebar Futures Contract. It ensures that the steel delivered conforms to standard quality parameters. The soon-to-be launched contract is set to open a new and exciting avenue for traders, who have thus far, limited their exposure to steel equities or physical steel."

The impending launch of the DGCX Steel Rebar Futures Contract assumes significance in the wake of fierce volatility in global steel prices. Short said, "Undeniably, the contract will enable the steel community to hedge price risk. As with other commodities, futures will help discover the equilibrium price, which represents the views of all market participants on forward prices. The DGCX price will, at some point, serve as a ready reference for the spot market."

Demand for steel rebar has spiraled in the Middle East, fed by its active construction markets and soaring oil and gas projects. About 80% of this steel used is rebar. Dubai is the single largest rebar import market, given its strategic location at the crossroads of the world's two most important steel trade flows – eastwards from the Black Sea/eastern Mediterranean and westwards from China.

Dubai rebar price is a benchmark price for regional rebar, as also for other price correlated steels. That is, other steel products are quoted either at a premium or a discount to the Dubai rebar price. Thus, Dubai rebar price is one of the key prices to the global steel community, enabling hedging opportunities in prices correlated steels, not just in Dubai, but the wider GCC, Asian and Mediterranean markets.

Steel prices have remained highly volatile, often in excess of 20%, driven by sharp fluctuations in demand supply balance and operating costs. Given that Dubai rebar price forms the benchmark, the contract will also help in mitigating price risk across other correlated steels.

Consumption of rebar in the GCC is set to rise at 9% per annum as compared to the global growth of 3% up to 2010. The consumption of other steels like plate, coils, seamless pipe and sections will also grow substantially. However, despite higher production, the region will still need to import some 10 mmtpa next decade.

About DGCX: The Dubai Gold and Commodities Exchange (DGCX) is a fully automated, online commodities exchange. Strategically located in Dubai, the exchange is the first international commodities derivatives marketplace in the time zone between Europe and the Far East.

The DGCX is an initiative of the Dubai Multi Commodities Centre (DMCC), Government of Dubai, the majority shareholder, in partnership with Financial Technologies (India) Limited and Multi Commodity Exchange of India Limited (MCX).