

## DGCX Approves Turkish major, Habas, as Producer for Steel Rebar Futures Contract

**Dubai, November 12, 2007:** DGCX introduced its Steel Rebar Futures Contract on October 29 with a view to providing a cost-effective tool that enables traders and the steel community to hedge price risk. It also provides valuable data to participants in the physical market, bringing transparency to the forward market for steel.

Habas is among the top 10 Turkish producers and top 5 rebar exporters to the UAE, with a production capacity of 1,700 tonnes per day and storage capacity of 21,000 tonnes a day.

Rebar producers whose physical product meets the DGCX specification and consistently trades at market prices in the UAE are invited to apply to become DGCX approved producers. Subsequent accreditation provides buyers and sellers certainty of the quality and specifications of the products traded on DGCX.

Commenting on the new approved producer, Mr. Ahmed Bin Sulayem, Chairman of DGCX, said, "The listing of Habas complements our existing producer portfolio, bringing yet more confidence to the steel and financial community of the products traded, thus spurring liquidity. So far, investor response to the contract has been encouraging with volumes exceeding 1000mt each day during its second week of trading."

The rebar futures market is expected to evolve gradually as understanding among the steel community grows. "With the increase in market depth and liquidity, the DGCX Steel Rebar Futures price will act a key indicator for

prices of regional rebar as well as correlated steel."

Habas joins the list of DGCX approved producers which includes Turkey's Izmir Demir Celik (IDC), Ekinciler, Kroman and Diler; Saudi's Al Tuwairqi Group (Al Ittefaq) and Sabc Steel (Hadeed); Qatar Steel from Qatar, and the UAE's Emirates Steel Industries.

Elaborating on the initial trading weeks, John Short, Executive Director, Steel & Base Metals, Dubai Multi Commodities Centre (DMCC), said, "As is prudent, participants made a cautious start, trading in 1-5 lots at a time, an approach we wholly support. Given that DGCX Steel Rebar Futures contract is the first international exchange-traded contract for steel, we expect this pattern to continue before progressively increasing as more users join and those participating gradually get accustomed to screen trading of Rebar Futures contract."

Short said that international rebar prices, as has been the case all year, continued to be volatile over the past two weeks, fuelled by marked increases in scrap and freight costs pushing up offer prices from Turkish sellers, but stagnant demand levels and high stocks pulling prices in the opposite direction. Over all, cost increase factors dominated, and thus the DGCX Steel Rebar Futures for February 2008 delivery continued the upward trend of the first week of trading to finish its second week up 3.5% since launch, at US\$ 628 metric tonne, FCA truck Jebel Ali, duty unpaid.

GCC markets tend to be price correlated to Dubai's spot market with a 2-6 week time lag. Dubai, in contrast, tends to reflect the movements in international import prices very quickly indeed, thus leading the price trend in the GCC. This pattern is even more pronounced in declining markets.

**About DGCX:** 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.

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