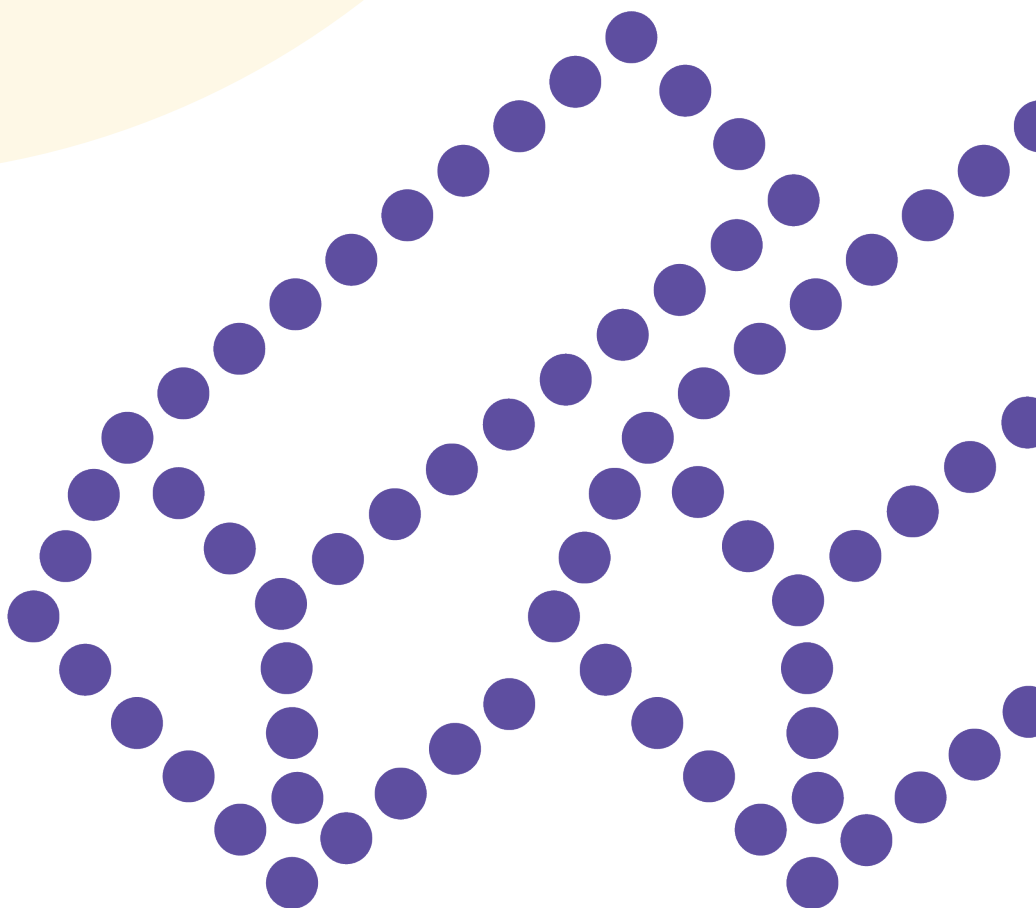


# Trading and risk management solution for Concentrates

A complete trading and risk management solution for concentrates metal raw materials, integrated with refined metals, hedging and risk management

**BRADY.**





**The trading of concentrate and other raw materials is a key segment in the metal supply chain. Managing a material that is far from homogenous and whose buyers can have a wide range of requirements is a complex and risky business. Volatility in supply, demand and price, combined with complex contractual terms and variation in qualities and content, which change over the life of the contract, make administration and risk management tricky and time-consuming.**



### **Simplifying the complex**

All too often, companies find that they are limited by systems that are unable to manage this complexity, resorting to manual processes and spreadsheets to try to compensate. The result is an organisation and infrastructure that operates well below its potential, with risks and inefficiencies which make it hard to scale the operation.

In order to succeed, companies need to have tools which enable their business simplify the complexity and give management the necessary control and information to make decisions in a timely fashion. Traders, risk managers and logistics teams need systems that give them a clear picture of where they are and what needs to be done so that they can devote their time to more useful activities.

### **Upgrade your approach to concentrates**

We believe that by providing a system which takes care of the detail and specifics of concentrates and raw materials from end to end, we can transform the efficiency of your trading operations, and significantly reduce your operational risks. processes, such as short-term trading, balancing, scheduling, settlement and invoicing.

Brady has produced market-leading solutions for concentrate trading over the last 20 years in partnership with tier-1 trading, mining and smelting customers. Within the last three years

Brady has invested significantly to take this solution to the next level, integrating this powerful concentrate functionality into our core physical trading platform. This has further upgraded our capabilities to provide even greater flexibility, automation and traceability. From mine to market, Brady's comprehensive functionality and straight-through processing capability addresses the trading requirements for the purchase and sale of all components of the metal lifecycle.

### **Get the complete picture**

With Brady's solution you can now manage the trading of ores and raw materials, concentrates and refined metals, and their associated financial hedges, foreign exchange transactions in a single system. This integration provides significant benefits of consistency across all aspects of a metal trading business, to give management a clear and consistent picture of all aspects of the portfolio.

Brady's solution supports concentrates, ores, other raw materials and by-products such as scrap, blister, slimes and slags. Clients can deploy the full range of functionality for a complete trading solution, or can deploy individual components to complement existing infrastructure.

## Key components

### Contract capture and administration

The complexity of concentrate and raw materials contracts presents major challenges for most systems. Unlike most CTRM or ERP platforms that rely on external information and free-format text to represent complex contractual terms, Brady's solution covers all of the major aspects of these contracts as part of core functionality that flows seamlessly down to contract valuation, mark-to-market, risk management, invoicing and accounting.

### Profit and Loss (P&L)

Our P&L calculations incorporate the full range of contract terms, including user-defined rules. Users can view highlevel summary P&L showing realised and unrealised P&L or detailed P&L reports provides a clear breakdown of all elements of the P&L for a contract, or matched purchase and sale, including payable and penalty elements, MTM and hedge P&L and all associated sundry costs.

### Position keeping and risk management

Comprehensive position management allows traders to keep track of purchase and sale commitments across multiple locations and qualities of the commodities traded.

Market exposure is tracked across all of the payable elements within the contract, and their associated hedging transactions – for both price risk and FX. As material is shipped and dates, quantities, assays and prices become fixed, market exposures are updated to ensure you always have an up-to-date picture of your overall position, allowing drill-down to individual contracts or shipments for the detail level.

Hedge transactions can be captured and linked to specific physical contracts, or used to hedge an aggregate exposure across multiple contracts.

### Invoicing

Our invoicing function and reporting provides a powerful, easy to use tool which generates comprehensive and accurate invoices for the most complex of raw materials and metals invoices including multiple provisional and final invoices; multiple pricing periods, fixed content and tonnage and invoices compatible with LC terms.

### Shipping, reporting and position keeping

Contract declarations, reporting and position keeping are an essential part of contract administration, so the module incorporates a comprehensive suite of reports to enable up-to-the-minute monitoring of shipments and their status. Reports include shipping schedules, declaration reminders, contract terms, shipment checklists, progress reports and much more.

### Corporate treasury

Brady's solution provides the corporate treasury functions needed to support commodity trading, including foreign exchange, money market and cash management functions, and integrated accounts payable and receivable. This means that all of your exposures and risk can be captured in a single solution, obviating the need for a dedicated corporate treasury system.

### Assay exchange

The assay exchange module manages the process of capturing and reconciling your assays with the counterparty's assays and, where necessary, with a thirdparty umpire's assays. It provides a powerful engine for umpire rules and clauses with variable parameters at each stage to satisfy supplier/ receiver requirements. Any change to estimated or final assays are reflected automatically in valuation and risk. The system also combines contractual terms with entered data to determine results for each shipment metal, initially as estimated values, then final values as all results are inputted.

### Inventory management and blending/splitting

The management of inventory, along with the ability to blend or split inventory to recombine purchased material to best meet the requirements of sales is an important part of concentrate trading. Our solution allows users to split material from purchase contracts, and merge together, preserving assays through the chain to provide a clear view on what is expected to be delivered to optimise the use of the available material, and still allowing full traceability back to the original shipments and purchase for audit and profitability reporting.

## Why Brady?

Brady's raw materials management solutions provide producers, smelters and trading companies with an unprecedented opportunity to manage all of their contractual, market and trading information for all types of metal products in one place, so that you have a complete picture of your risk exposure and financial position.

- Drive efficiency by streamlining your administration and simplifying processes for the exchange of information. Use an automated broker reconciliation if volumes are high enough to warrant it
- Leverage the power of your data with accessible and up-to-date information
- Maximise profitability by improving operational synergy, reducing management costs and strengthening negotiating positions

Brady's energy data management system is an invisible workhorse, reliably performing its core functions in a way that meets your requirements. Our solution can easily be installed within your existing system architecture as well as delivered through hosting or cloud-based services.

## About Brady plc

Brady plc is the largest European-headquartered provider of trading and risk management software to the global commodity and energy markets. Brady combines fully integrated and complete solutions supporting the entire commodity trading operation, from capture of financial and physical trading, through risk management, handling of physical operations, back office financials and treasury settlement, for energy, refined and unrefined, ferrous and non-ferrous metals, soft commodities and agricultural products.

Brady has over 30 years' expertise of market experience with more than 10,000 users at over 200 companies worldwide, who depend on Brady's software solutions to deliver vital business transactions across their global operations.

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