

**NFX:
Reserve Price Enhancement**

CRA Charles River
Associates

CRA
International

Reasons for this Enhancement

Encourages sellers to set lower starting prices

Encourages bidder participation

More lots may be sold than otherwise

Starting with NFX TE-081: Sellers Will Set a Reserve Price for Each Lot

- Reserve Price = the minimum bid price the seller is willing and committed to accept for the lot
- Standing High Bidder (SHBidder) on a lot = bidder who submitted the highest Max Bid Price
- Standing High Bid (SHB) on a lot will be...
 - The higher of: (a) the second-highest Max Bid Price plus a small increment, and (b) the Reserve Price
 - But not higher than the Max Bid Price submitted by the SHBidder
- Bidder can view only its own bids, and if they are the SHBidder for a lot, “YOU” will be shown in the SHB column for that lot
- If the SHB < Reserve Price for a lot, then it will be shaded with a gray background
- Bidders will not know Reserve Prices, but they will know if and when the SHB on a lot has reached the Reserve Price for the lot

Screenshot: Bidder's "Submit Bid" Page

Natural Fibre Exchange - Bidding Website

Username:
Last Login:

demo1001
Tuesday, Jul 13, 2021, 5:14:39 AM NZT

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TRADING EVENT STATUS
SUBMIT BID
BID HISTORY & RESULTS
MESSAGES
SCHEDULE
LOT PREFERENCE

Round Status
Round 3 is OPEN

Current Time (NZT)
5:21:19 AM

Time Remaining (hh:mm:ss)

10

Round 3: Bid Submission

SHOW ALL COLUMNS

SUBMIT BID AND CONTINUE

CANCEL

APPLY FILTERS

CLEAR FILTERS

BID SUMMARY

Round	Your Eligibility Entering Round 3 (# Points)	Used Bidding Activity (# Points)	Available Bidding Activity (# Points)
3	4	4	0

Lot	Island	Seller	Bales	Price Bidding Basis (Greasy / COF)	Bidding Points	SHB Entering Round		Your Max Bid Price (per kg)		Brand / Type / Grade & Production Date / Works	Col Y Y-Z	VM	AIR/F	SD Clean % 16% Scoured	
						Price	Bdr	Min Price	Rnd 3	Rnd 2					
PL14E2	NI	PLL	37	COF	1	2.20		2.22	<input type="text" value="2.50"/>		G14/15W / Whakatu / Feb - Mar	58.7 3.1	0.3	32.2	96.0
PL77WKN	NI	PLL	50	COF	2	3.00		3.02	<input type="text"/>		G77W / Whakatu / April	62.5 1.5	0.1	33.8	97.5
4330	SI	WNZ	47	COF	1	1.32	YOU	1.34	<input type="text" value="2.00"/>	1.32	GROUP M3R (1/3)	62 5.4	0.3	29.9	68.6
4331	SI	WNZ	15	COF	1	4.05		4.09	<input type="text" value="4.10"/>	4.04	GFS LBS FL L2M (2/4)	66.5 1.7	0.1	28.0	82.0
4332	SI	WNZ	14	COF	1	5.00	YOU	5.05	<input type="text"/>		ETALVALE A LBS FL L1O+ (3/3.5)	67.1 0.7	0.1	31.7	83.5
4333	SI	WNZ	33	COF	1	1.68		1.70	<input type="text"/>	1.67	R&JS A E FL F4C (5/7) A2,K2	62.2 6.2	0.1	38.4	77.3
4334	SI	WNZ	25	COF	1	2.36		2.38	<input type="text"/>		LIMEHILLS AA LBS L1M (2/4)	67.8 0.9	0.1	30.0	80.3
4335	SI	WNZ	23	COF	1	5.00		5.05	<input type="text"/>		CAMPBELLS A LBS FL L1J (4/3.5) K1	66.2 1.0	0.1	32.8	78.1

SHOW ALL COLUMNS

SUBMIT BID AND CONTINUE

CANCEL

APPLY FILTERS

CLEAR FILTERS

BID SUMMARY

Screenshot: Seller's "Trading Event Status" Page

Natural Fibre Exchange - Bidding Website

Username:
Last Login:

testwnzviewer
 Friday, Jul 09, 2021, 5:09:41 AM NZT
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TRADING EVENT STATUS
BID HISTORY & RESULTS
MESSAGES
SCHEDULE

Round Status
Round 3 is OPEN

Current Time (NZT)
5:18:09 AM

Time Remaining (hh:mm:ss)
00:02:51

Current Event Status - Round 3 is Open for Bidding View Event Status for Round #:

Filter Filter Filter Filter Filter Filter Filter Filter Filter Filter Filter Filter Filter Filter Filter Filter Filter Filter Filter

As of the End of Round 2

Lot	Island	Seller	Bales	Nett kg	SD Clean % / 16% Cond. (kg)	Price Bidding Basis (Greasy / COF)	Bidding Points	Cncy	Reserve Price	Standing High Bid	ΔP	Min Price Round 3	Brand / Type / Grade & Production Date / Works	Col Y Y-Z	VM	AIR/F	SD Clean % 16% Scoured	Barbe/ Hauteur	Delivery Period / Shipping Term / Store Location
4330	SI	WNZ	47	7,565	5,190	COF	1	NZD	3.00	1.32	0.02	1.34	GROUP M3R (1/3)	62 5.4	0.3	29.9	68.6		Prompt 11D Ex Store Timaru
4331	SI	WNZ	15	1,856	1,522	COF	1	NZD	4.00	4.05	0.04	4.09	GFS LBS FL L2M (2/4)	66.5 1.7	0.1	28.0	82.0		Prompt 11D Ex Store Timaru
4332	SI	WNZ	14	2,516	2,101	COF	1	NZD	3.00	5.00	0.05	5.05	ETALVALE A LBS FL L10+ (3/3.5)	67.1 0.7	0.1	31.7	83.5		Prompt 11D Ex Store Timaru
4333	SI	WNZ	33	5,749	4,444	COF	1	NZD	1.65	1.68	0.02	1.70	R&S A E FL F4C (5/7) A2,K2	62.2 6.2	0.1	38.4	77.3		Prompt 11D Ex Store Timaru
4334	SI	WNZ	25	4,366	3,506	COF	1	NZD	2.35	2.36	0.02	2.38	LIMEHILLS AA LBS L1M (2/4)	67.8 0.9	0.1	30.0	80.3		Prompt 11D Ex Store Timaru
4335	SI	WNZ	23	4,352	3,399	COF	1	NZD	5.00	5.00	0.05	5.05	CAMPBELLS A LBS FL L1J (4/3.5) K1	66.2 1.0	0.1	32.8	78.1		Prompt 11D Ex Store Timaru
4336	SI	WNZ	11	1,645	1,388	COF	1	NZD	5.00			2.70	TIN HOUSE A LBS LOP (2,5/3)	68.3 0.6	0.0	29.4	84.4		Prompt 11D Ex Store Timaru
4337	SI	WNZ	8	1,072	857	COF	1	NZD	5.00			2.75	TIN HOUSE AA LBS L1N (3) B2	66 1.3	0.1	28.7	79.9		Prompt 11D Ex Store Timaru
4338	SI	WNZ	5	746	619	COF	1	NZD	5.00			2.68	GALEVUE LBS FL L1Q (2/3)	67.5 0.3	0.1	28.8	83.0		Prompt 11D Ex Store Timaru
4339	SI	WNZ	4	748	444	COF	1	NZD	2.00			1.29	GALEVUE EWE B/P C2M (2/4) A2	57.4 7.6	0.2	34.9	59.3		Prompt 11D Ex Store Timaru

EXPORT CATALOG
APPLY FILTERS
CLEAR FILTERS

Example 1 – Comparing Old vs. New for Results After a Round

1 Bidder on a Lot – Bid Price is Below Reserve Price

		Before TE-081	Starting with TE-081
Minimum Required Bid Price (MRBP) for round that just closed	\$ 4.00		
Reserve Price (Seller View Only)		n/a	\$ 5.00
Max Bid Price submitted by Bidder X		\$ 4.50	\$ 4.50
Price deemed bid by Bidder X		\$ 4.00	\$ 4.50
New standing high bid price (SHB)		\$ 4.00	\$ 4.50 *
MRBP for next round (assume ΔP price increment = \$0.01)		\$ 4.01	\$ 4.51
Standing high bidder		Bidder X	Bidder X

* Because the SHB of \$4.50 is below the Reserve Price of \$5.00, the SHB of \$4.50 will be displayed to bidders with a gray background

Example 2 – Comparing Old vs. New for Results After a Round

1 Bidder on a Lot – Bid Price is at or Above Reserve Price

		Before TE-081	Starting with TE-081
Minimum Required Bid Price (MRBP) for round that just closed	\$ 4.00		
Reserve Price (Seller View Only)		n/a	\$ 5.00
Max Bid Price submitted by Bidder X		\$ 6.00	\$ 6.00
Price deemed bid by Bidder X		\$ 4.00	\$ 5.00
New standing high bid price (SHB)		\$ 4.00	\$ 5.00 *
MRBP for next round (assume ΔP price increment = \$0.01)		\$ 4.01	\$ 5.01
Standing high bidder		Bidder X	Bidder X

* Bidder is willing to pay more than the Reserve Price, so their SHB is set to the Reserve Price of \$5.00

Example 3 – Comparing Old vs. New for Results After a Round

2 Bidders on Same Lot – Both Bidders Bid Below Reserve Price

		Before TE-081	Starting with TE-081
Minimum Required Bid Price (MRBP) for round that just closed	\$ 4.00		
Reserve Price (Seller View Only)		n/a	\$ 5.00
Max Bid Price submitted by Bidder X		\$ 4.00	\$ 4.00
Max Bid Price submitted by Bidder Y		\$ 4.50	\$ 4.50
Price deemed bid by Bidder X		\$ 4.00	\$ 4.00
Price deemed bid by Bidder Y		\$ 4.01	\$ 4.50
New standing high bid price (SHB)		\$ 4.01	\$ 4.50 *
MRBP for next round (assume ΔP price increment = \$0.01)		\$ 4.02	\$ 4.51
Standing high bidder		Bidder Y	Bidder Y

* Because the SHB of \$4.50 is below the Reserve Price of \$5.00, the SHB of \$4.50 will be displayed to bidders with a gray background

Example 4 – Comparing Old vs. New for Results After a Round

2 Bidders on Same Lot – One Bidder Bids Below Reserve Price and Other Bidder Bids Above Reserve Price

		Before TE-081	Starting with TE-081
Minimum Required Bid Price (MRBP) for round that just closed	\$ 4.00		
Reserve Price (Seller View Only)		n/a	\$ 5.00
Max Bid Price submitted by Bidder X		\$ 4.00	\$ 4.00
Max Bid Price submitted by Bidder Y		\$ 7.00	\$ 7.00
Price deemed bid by Bidder X		\$ 4.00	\$ 4.00
Price deemed bid by Bidder Y		\$ 4.01	\$ 5.00 *
New standing high bid price (SHB)		\$ 4.01	\$ 5.00
MRBP for next round (assume ΔP price increment = \$0.01)		\$ 4.02	\$ 5.01
Standing high bidder		Bidder Y	Bidder Y

* Bidder is willing to pay more than the Reserve Price, so their deemed bid price (and SHB) is set to the Reserve Price of \$5.00

Example 5 – Comparing Old vs. New for Results After a Round

2 Bidders on Same Lot – Both Bidders Bid Above Reserve Price

		Before TE-081	Starting with TE-081
Minimum Required Bid Price (MRBP) for round that just closed	\$ 4.00		
Reserve Price (Seller View Only)		n/a	\$ 5.00
Max Bid Price submitted by Bidder X		\$ 6.00	\$ 6.00
Max Bid Price submitted by Bidder Y		\$ 7.00	\$ 7.00
Price deemed bid by Bidder X		\$ 6.00	\$ 6.00
Price deemed bid by Bidder Y		\$ 6.01	\$ 6.01
New standing high bid price (SHB)		\$ 6.01	\$ 6.01
MRBP for next round (assume ΔP price increment = \$0.01)		\$ 6.02	\$ 6.02
Standing high bidder		Bidder Y	Bidder Y