

NFX Announces Enhancements to Trading Platform

Starting with the inaugural Natural Fibre Exchange (NFX) trading event in May 2018, 74 trading events have occurred fortnightly through April 2021.

As it does on an ongoing basis, NFX has solicited feedback from sellers and buyers on the NFX trading platform and in response is pleased to describe the following enhancements and features for the platform.

Starting with the most recent trading event TE-076, each lot will be assigned one point, rather than some lots being “worth” more points than others. Points are used to keep track of a buyer’s bidding activity. With each lot worth the same (one point), this should make it easier for buyers to switch their bids among lots. In the future if there are many more lots or more varied fibre products offered on the platform, there may be benefits for participants to reverting to a “point system” that assigns different points for materially different lots.

By the end of July, a seller will be able to specify a reserve price for a lot that is different than the seller’s starting price for the lot. This is consistent with what wool buyers typically are used to. During the NFX trading event, buyers will be informed when the current best price for a lot has achieved the seller’s reserve price.

Starting with the most recent trading event TE-076, the duration of bidding rounds will be no longer than four minutes, and typically will be less than four minutes (for example, one minute). Now that buyers are comfortable with the NFX trading process, trading event durations can be reduced.

NFX also reminds participants they can choose which lots to see and which columns of data to display on their bidding screens. Also, when submitting a bid, the buyer will see summations of the lots they are bidding on including volume and total dollar amount.

Finally, NFX reminds participants that they can participate in an NFX trading event actively or passively using the auto-bid technology on the platform. Because a buyer’s bid specifies the highest price they are willing to pay for a lot, and because a winning buyer will never pay more for a lot than the lowest possible price that exceeds the next highest bid price, winning buyers can be confident that they are paying a fair price. If they wish, buyers can submit their bid prior to the start of the trading event without having to participate round by round, or they can participate actively round by round if they prefer.

About the Natural Fibre Exchange

Natural Fibre Exchange is an online platform established to connect buyers and sellers, providing trusted and transparent market-based reference prices through effective price discovery, as well as an efficient selling and buying mechanism for wool and other natural fibre products sourced from New Zealand and other supply markets longer term. Other NFX founding principles include enabling a competitive and fair marketplace, with wool sold in an orderly and timely fashion and facilitating efficiencies in the supply chain and bringing down industry costs.

How NFX Works

All products in a trading event are on offer simultaneously over multiple rounds of bidding and continuing until there is a round with no new bids. NFX is open to all industry parties and service providers who meet the requirements of the *NFX Participation Agreement* to be a seller and/or a buyer. As a buyer you also must have pre-approval from a seller to bid on that seller's products. For more information or to register go to the NFX information site at www.naturalfibreexchange.com.

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