



**Exchange vs
non-exchange
tradable
metals**

Exchange traded metals

28 Ni Nickel	13 Al Aluminium	29 Cu Copper
50 Sn Tin	30 Zn Zinc	etc

Non-exchange traded metals

FeCr	FeSi	FeMn
SiCr	SiMn	etc

Why ferroalloys are not traded on exchanges

- Lack of standardization and multichemical quality parameters for each product, could have its own value in use which depends on individual producer from one side and consumer from the other side
- Due to the above reasons, any standardization leads to decrease of liquidity and lack of publicly agreed product value
- Consequently, classic exchange mechanisms were not successfully applied to auction trading of ferroalloys products
- Trade platform based on new digital technologies combined with modern methods of exchanging multiparameter products will help the market to become more liquid and transparent.

Benefits of SoftMetal concept

- Counterparties can trade encrypted non-fungible electronic receipt for a unit of metal (ENFERUM) representing physical commodity with variable chemical composition, matching bids and asks filtered by quality parameters selected by buyer and seller on the exchange type auction mechanism.
- Platform will provide participants with automated transactions of the ENFERUMs representing physical metal stored at approved warehouses worldwide.
- Each transaction will require prompt settlement from the buyer in Fiat and/or CBDC (central bank digital currency) in the future.
- Platform will be based on contemporary development of auction theory expending principals of exchange type trading to multigrade products such as ferrochrome.
- The platform combines advantages of blockchain technology and end-to-end encryption, insuring confidentiality of trader's interest and invariability of the results. While information regarding settlement price, tonnages and bid/ask spreads will be available for platform participants. Transactions occurring on the platform, are impossible to modify, thus transparent price discovery is ensured on the algorithmic level.
- It publishes a spot price reflecting all trades transparently, with no possibility of editorial decisions by the platform.
- Their interests and positions also remain confidential to SoftMetal itself, rendering indiscretion and front-running impossible, making the platform a safe venue to trade.

We will start with ferrochromium, the alloy which gives to crude steel its stainless resistance capability, as well as many other remarkable properties. Besides FeCr is the one of the alloys well-known to the metals industry participants for its importance and non-fungibility combined with its puzzling market structure which is based on [different public indexes](#) and [confidential negotiations resulting in discounts or incentives](#).