

FAQs – Buyer

In case the below does not answer your question please call:

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1. I can't log in, what should I do?

Your username will usually be your email address. The password is system generated and if you have forgotten it please reset your password automatically. Dragontree cannot reset your password for you or log in under your account.

2. I cannot access the Live Auctions area, what is wrong?

You must have selected a minimum of five (5) Partners to access the Live Auctions.

3. Why can I see there are Live Auctions, but I cannot bid?

If you have at least five Partners, then either the auction could be from a seller you have not approved, or it could be from a seller who has not approved you.

4. I can see the offer and I can click on it, but I don't dare put a price in case I get it wrong, how does pricing work?

On the font 'tile' where you first see the offered auction, the pricing format should be obvious. It will either be on call (+/- with an ICE cover month) or fixed price.

If the offer is on call, then you must bid in USD c/lb and the only negotiable element is the 'basis'. You cannot bid Fixed Price against an On Call auction.

For example: + 5.50 Z9 means 5.50 USD c/lb 'on' December 2019 ICE futures. Some might refer to this is 550 pts on Dec 19 ICE. 5.50 USD c/lb is the 'basis' and it is this which will be negotiated at auction if the offer is on call. Basis that is on the month uses '+' and basis that is off the month uses '-' as a prefix to the price.

If the offer is fixed price and in USD, then the pricing is 85.80 USD c/lb (to be crystal clear this price is 14.20 USD c/lb less than one dollar per pound).

When bidding in USD you must always remember the pricing is in cents/lb and so whether it is on call or fixed price 1.00 USD c/lb is one cent per pound or 100 points. 100.00 USD c/lb would be one dollar per pound.

If you see an offer in AUD per bale, then of course that is in Australian dollars per bale

For EUR c/kg the same logic as for USD applies meaning that 125.25 EUR c/kg means One Euro and twenty-five cents and a quarter per KG.

For BRL/lb the pricing is in Brazilian Reais per pound where 2.7550 means 2 Reais and 75.5 centavos per pound.

The seller will choose the 'pricing method' and if the seller chooses USD then as a buyer you must bid in USD. Similarly, if the seller chooses EUR, BRL or AUD then the buyer can only bid in that currency and will not be allowed to switch pricing method.

5. What is a Buy it Now price?

This is a price that the seller can set before the auction starts. It is a firm offer, and if you confirm the Buy it Now price then you will immediately receive a legally binding contract at the Buy it Now price, on the offered terms and conditions.

6. Can I negotiate the Buy it Now price?

Yes – you are allowed to place a bid which only the Seller will see. This bid is valid until either confirmed or withdrawn (cancelled), or until the Seller replies with a counter Offer. This negotiation is not open to all Users, like an Auction is, but rather private to the Buyer and Seller. .

7. I do not like one of the terms. Can I negotiate terms?

No. The only negotiable aspect of an offer at auction is price.

8. I have placed a Max Bid that is higher than the reserve price – can I leave my desk and be sure that I will buy this offer?

No. Firstly, please read the Help Document to understand how the Max Bid works.

You need someone else to push your Max Bid higher (in other words you need competition) and you must also be aware that another buyer might place a bid higher than your Max Bid and win the auction.

If you wish to bid at a level that is more than the minimum increment higher than the current high bid, then you can simply 'Place Bid' and this will take your bid to the level you wish.

9. So, what is the difference between Max Bid and Place Bid?

When you use Max Bid, Dragontree manages the level you bid at according to how high you need to be to be the high bid. You will not be forced to bid at your Max Bid unless another buyer competes with you. Please see the Help Document for clear examples.

Place Bid will allow you to immediately place a bid at the level you specify, even if this is significantly higher than the next highest bid. Place Bid does not consider any other factors other than the fact that you want to bid at your specific price right now. Once placed, it cannot be withdrawn.

Scheduled Bid is the same as Place Bid but before an auction starts and can be withdrawn or changed before an auction starts.

10. I want to change my Max Bid before an auction can I do this?

Yes. You can change it any time before an auction starts.

11. I want to change my Max Bid during an auction can I do this?

Yes, but only to a level that is equal to or above the current high bid.

12. I want to withdraw my Max Bid can I do this?

Yes, unless you are the high bid, in which case you cannot withdraw or cancel your bid.

13. So, once I am the high bid I cannot withdraw or cancel?

That is right. The seller cannot change the Reserve Price once an auction has started and the buyer cannot change the bid if it is the high bid. Once an auction has started the Reserve Price and the high bid are binding at any given moment.

If, however, you bid against a Buy it Now offer and start a negotiation then you can withdraw/cancel your bid as long as it has not been confirmed or countered. These negotiations will end once the Auction starts.

14. How long does an auction last?

The auction will last for 10 minutes as a minimum.

If there is activity then the auction will extend for 30 seconds and continue extending for 30 seconds each time there is further activity, until there is no activity for 30 seconds at which point the auction will end.

If there is no activity in the final 30 seconds, then the auction will end after 10 minutes

15. What happens at the end of an auction?

If the Reserve Price has been met, then there will be an immediate sale to the highest bidder.

If the Reserve Price has not been met, then the seller has five (5) minutes at the end of the auction in order to confirm the high bid.

If the seller confirms the high bid within the five minutes then there is a sale, otherwise there is no sale.

The seller has the option to counter offer the high bid at the end of an auction, and that counter will be valid for five (5) minutes unless it is confirmed or countered. The buyer may choose to continue that negotiation and counter bid, which will be valid for five (5) minutes unless it is confirmed or countered.

16. How will I know if I have bought?

The contract will appear in the Archive. Depending on your preferences, you will also receive either an email, an SMS or a message via the Negotiation Centre – or all three.

17. Can everyone see my purchase?

Yes, but only you can see your name. To all other Users the trade is anonymous.

18. Does Dragontree guarantee that the seller will perform the contract?

No. Dragontree allows the buyer to choose Partners and allows the buyer to edit the Partners.

After a contract is confirmed, Dragontree does not help with execution or guarantee performance.

19. What is the Negotiation Centre?

This is where all alerts are managed. A User can decide on the manner in which they are advised of the following:

Invitations

Auctions about to start

Bids/Offer/Counter bids and Counter Offers

Contracts