

To: Category 1 and 2 members

Ref: 14/358 : A349

Date: 2 December 2014

Subject: **AMENDMENT TO LMESELECT OUTRIGHT TICK SIZES**

Summary

1. The LMEselect tick sizes for outright contracts will be amended with effect from Monday 19 January 2015.

Background

2. This notice outlines modifications to LMEselect outright tick sizes.
3. The Trading Committee and Ring Dealers Committee have recommended that LMEselect outright tick sizes should be increased to match Ring tick sizes¹. This recommendation was unanimous from both Committees and forms part of the Ring/LMEselect price integration initiative from the recent Ring review. This was considered an important background action to align prices on LMEselect and the Ring.
4. Increasing LMEselect outright tick sizes is designed to increase the depth of liquidity at each tick value by concentrating orders to fewer levels in the order book.

New LMEselect Tick Sizes

5. With effect from 00.45 on Monday 19 January 2015, LMEselect tick sizes for outright contracts will be amended as follows:

Metal	Tick Size (US Dollars)	Tick Value (US Dollars)
Aluminium	0.50	12.50
Aluminium Alloy	0.50	10.00
Cobalt	5.00	5.00
Copper	0.50	12.50
Lead	0.50	12.50
Molybdenum	5.00	30.00
NASAAC	0.50	10.00
Nickel	5.00	30.00

¹ Outright Ring tick sizes for cobalt and molybdenum will be increased to match the LMEselect tick sizes above in due course.



Tin	5.00	25.00
Zinc	0.50	12.50

6. LMEselect outright contracts include, outright TOM, Cash, outright daily prompts, three months, outright weekly prompts, outright third Wednesday prompts and outright average contracts.
7. LMEselect tick sizes for all Carries for all metals will remain at USD 0.01. Steel, Index contracts and all options contracts tick sizes will remain unchanged. All LME Ring and telephone tick sizes for outright and carries remain unchanged.
8. Orders sent with at incorrect tick size price will be rejected by LMEselect.
9. Members are responsible for ensuring that their clients are aware of the new LMEselect tick sizes.
10. It is also the responsibility of each member who offers LMEselect order-routing facilities to clients to monitor and control their clients' intra-day activity to ensure all orders conform with the new LMEselect tick sizes at the time of implementation.
11. If you have any questions on this matter please contact the LME Helpdesk on 020 7488 2500 or by email at lmehelpdesk@lme.com.

A handwritten signature in black ink, appearing to read 'David Abrahams', with a stylized flourish at the end.

David Abrahams
Head of Systems Trading

cc: Board directors
Trading Committee
Ring Dealers Committee
User Committee