

To: All members and other interested parties

Ref: 19/012

Classification: Trading Technical

Date: 11 January 2019

Subject: **INFORMATION ON LMESELECT AND LMESMART DYNAMIC PRICE BANDING LIMITS AND LMESELECT NO CANCELLATION RANGES**

Summary

1. This Notice provides information relating to where market participants can find the current dynamic price banding limits and no cancellation ranges (“**NCRs**”) for LMEselect and LMEsmart, following their initial publication in LME Notice 17/050 (for LMEselect) and LME Notice 17/127 (for LMEsmart). This Notice supersedes and replaces LME Notice 17/050 and LME Notice 17/127.

Defined Terms

2. Terms not otherwise defined herein shall have the meaning ascribed to them in the Rules and Regulations of the LME (the “**Rules**”).

Background

3. Members will be aware that in order to comply with certain aspects of MiFID II, The London Metal Exchange (“**LME**”) introduced dynamic price banding limits in relation to both LMEselect and LMEsmart. In parallel, the LME revised the Error Trades and Erroneous Order Submission Policy (published by way of LME Notice 17/344) (“**Policy**”) for LMEselect to (amongst other things) introduce NCR values through the Policy.
4. It may be necessary from time to time for the LME to adjust the dynamic price banding limits and/or NCRs. This Notice therefore provides information on where market participants can find up-to-date dynamic price banding limits and NCR values.

Dynamic price banding limits and NCR values

5. Previously, details of the LME’s dynamic price banding limits and NCRs were set out in various LME Notices and in the Policy.



6. In order to consolidate this information for ease of reference by market participants, and to enable the LME to update dynamic price banding limits and/or NCRs more efficiently, the LME shall make the following details available on the LME website going forward:
 - (a) methodology for determining dynamic price banding limits;
 - (b) dynamic price banding limits for LMEsmart and LMEselect; and
 - (c) NCRs.
7. Any other NCR values previously published by the LME shall be superseded and replaced by the NCR values set out on the LME website.

Changes to dynamic price banding limits and/or NCR values

8. The LME reserves the right, at its absolute discretion, to revise the dynamic price banding limits and associated methodology for setting these limits (in relation to LMEselect and/or LMEsmart), and NCRs, in each case where it determines that such action is appropriate.
9. The LME will seek to provide reasonable advance notice to market participants of such changes, and may do so via any appropriate means, including LMEselect / LMEsmart market message. In certain circumstances, however, the LME may need to make such changes with immediate effect to ensure the orderly functioning of the market.

Queries

10. Any queries relating to this Notice should be directed to LME Trading Operations (tradingoperations@lme.com) [or LME Post Trade Operations (posttradeoperations@lme.com), as applicable.

Katie Dowd

Senior Manager, Trading Operations

cc: Board directors
Ring Dealers Committee