

MARCH 2019

**REVISIONS TO THE LOOSE-LEAF RULEBOOK
OF THE LONDON METAL EXCHANGE**

Release No 103

Enclosed are replacement pages of the LME Rulebook affected by recent revisions.

Updates comprise:-

Part 6C – Replace pages 6C-1 to 6C-4

Part 6D – Add pages 6D-1 to 6D-5

Details of the substantive changes are below:

| | |
|--------|---|
| 19/065 | DECISION NOTICE – CONSULTATION ON PROPOSED AMENDMENTS TO THE LME AND LME CLEAR RULEBOOKS – STRATEGIC PATHWAY INITIATIVES AND MISCELLANEOUS RULE AMENDMENTS (NEW CASH-SETTLED FUTURES) |
| 19/068 | UPDATE TO LME NOTICE 19/065 / LME CLEAR NOTICE 19-013: CASH-SETTLED FUTURES – CONTRACT SPECIFICATION CLARIFICATIONS |



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Ref: R103 (2019/2)

PART 6C

**SPECIAL CONTRACT RULES FOR CASH-SETTLED FUTURES -
FERROUS**

1. THE FERROUS FUTURES CONTRACT SPECIFICATIONS

1.1 Lot Size

The Lot size for each Ferrous Future is as follows:

| Contract | Lot size | Code |
|--------------------------|------------------|------|
| LME Steel Scrap | 10 Metric Tonnes | SC |
| LME Steel Rebar | 10 Metric Tonnes | SR |
| LME Steel HRC N. America | 10 Short Tons | HU |
| LME Steel HRC FOB China | 10 Metric Tonnes | HC |

1.2 Prompt Dates

The meaning and specification of the Prompt Dates for each Ferrous Future shall be determined as follows:

| Meaning of Prompt Date | Contracts | Valid Prompt Dates |
|---|---|--|
| Having regard, where relevant, to Regulation 8 of the Trading Regulations, the Last Trading Day (as defined in Regulation 1.6 of this Part 6C). | LME Steel Scrap LME Steel Rebar LME Steel HRC FOB China LME Steel HRC N. America | The last Business Day of each month (subject to Regulation 8 of the Trading Regulations) |

1.3 Maturity Months

The maturity months for Ferrous Futures Contracts shall be as follows:

| Contract | Maturity Months |
|--------------------------|---|
| LME Steel Scrap | Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months. |
| LME Steel Rebar | Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months. |
| LME Steel HRC N. America | Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months. |
| LME Steel HRC FOB China | Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months. |

1.4 Execution Venue

Ferrous Futures may be traded in the inter-office market and on LME Select but not in the Ring.

1.5 Trading Hours

Ferrous Futures may be traded on the following Execution Venues at the following times:

| Execution Venue | Trading Hours |
|---------------------|---|
| LME Select | Between 01:00 and 19:00 London time on a Business Day |
| Inter-office market | 24 hours a day during a Business Day |

1.6 Last Trading Day and Last Trading Time

The last trading time for Ferrous Futures Contracts shall be as follows:

| Contract | Last Trading Day | Last Trading Time |
|--------------------------|--|---|
| LME Steel Scrap | The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month) | 16:30 hours London time on the Last Trading Day |
| LME Steel Rebar | The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month) | 16:30 hours London time on the Last Trading Day |
| LME Steel HRC N. America | The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month) | 19:00 hours London time on the Last Trading Day |
| LME Steel HRC FOB China | The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month) | 10:30 hours London time on the Last Trading Day |

1.7 Settlement Basis

Cash Settlement based on the difference between the relevant Cash-Settled Future Final Settlement Price on the Prompt Date and the value of the Contract, multiplied by the Lot size.

1.8 Cash Settlement

| Contract | Final Settlement Date |
|--------------------------|--|
| LME Steel Scrap | Settlement Business Day following the Prompt Date |
| LME Steel Rebar | Settlement Business Day following the Prompt Date |
| LME Steel HRC N. America | Second Settlement Business Day following the Prompt Date |
| LME Steel HRC FOB China | Settlement Business Day following the Prompt Date |

(See Regulation 9, Settlement of Contracts, in Part 3, Trading Regulations.)

1.9 **Minimum Price Movement**

The minimum price movement for any Ferrous Future shall be as follows:

| Execution Venue | Minimum price movement per tonne | |
|---------------------|----------------------------------|---------|
| | Outright | Carries |
| LME Select | \$0.50 | \$0.01 |
| Inter-office market | \$0.01 | \$0.01 |

1.10 **Notification of Procedures for determining the Cash-Settled Future Final Settlement Prices**

The Exchange shall specify, by way of Administrative Procedure issued to the Members, the procedures that it shall apply in order to determine the Cash-Settled Future Final Settlement Price for each Ferrous Future.

1.11 **Specification of the Cash-Settled Future Indices**

- (a) The Cash-Settled Future Index relevant to each Ferrous Future shall be used by the Exchange to determine the Cash-Settled Future Final Settlement Price for that Ferrous Future, in accordance with the procedures specified pursuant to Regulation 1.10 above.
- (b) The Exchange shall specify, by way of Notice issued to the Members, the relevant index or indices that shall constitute the Cash-Settled Future Index for each type of Ferrous Future.

1.12 **Currency**

US Dollars.

PART 6D

**SPECIAL CONTRACT RULES FOR CASH-SETTLED FUTURES -
NON-FERROUS**

1. THE NON-FERROUS FUTURES CONTRACT SPECIFICATIONS

1.1 Lot Size

The Lot size for each Non-Ferrous Future is as follows:

| Contract | Lot size | Code |
|---|-------------------|------|
| LME Aluminium Premium Duty Unpaid US Midwest | 25 Metric Tonnes | UP |
| LME Alumina | 50 Metric Tonnes | AM |
| LME Molybdenum | 2205 lbs (pounds) | MD |
| LME Cobalt | 1 Metric Tonne | CB |
| LME Aluminium Premium Duty Unpaid European | 25 Metric Tonnes | EA |

1.2 Prompt Dates

The meaning and specification of the Prompt Dates for each Non-Ferrous Future shall be determined as follows:

| Meaning of Prompt Date | Contracts | Valid Prompt Dates |
|---|---|--|
| Having regard, where relevant, to Regulation 8 of the Trading Regulations, the Last Trading Day (as defined in Regulation 1.6 of this Part 6D). | LME Alumina LME Molybdenum LME Cobalt LME Aluminium Premium Duty Unpaid European LME Aluminium Premium Duty Unpaid US Midwest | The last Business Day of each month (subject to Regulation 8 of the Trading Regulations) |

1.3 Maturity Months

The maturity months for Non-Ferrous Futures Contracts shall be as follows:

| Contract | Maturity Months |
|---|---|
| LME Aluminium Premium Duty Unpaid US Midwest | Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months. |
| LME Alumina | Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months. |
| LME Molybdenum | Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months. |
| LME Cobalt | Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months. |
| LME Aluminium Premium Duty Unpaid European | Monthly for fifteen months, unless the Contract is made after the Last Trading Time (see 1.6 below) for the calendar month on which the Contract is made, in which case, fourteen months. |

1.4 Execution Venue

Non-Ferrous Futures may be traded on in the inter-office market and on LME Select but not in the Ring.

1.5 Trading Hours

Non-Ferrous Futures may be traded on the following Execution Venues at the following times:

| Execution Venue | Trading Hours |
|---------------------|---|
| LME Select | Between 01:00 and 19:00 London time on a Business Day |
| Inter-office market | 24 hours a day during a Business Day |

1.6 Last Trading Day and Last Trading Time

The last trading time for Non-Ferrous Futures Contracts shall be as follows:

| Contract | Last Trading Day | Last Trading Time |
|--|--|---|
| LME Aluminium Premium Duty Unpaid US Midwest | The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month) | 19:00 hours London time on the Last Trading Day |
| LME Alumina | The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month) | 16:00 hours London time on the Last Trading Day |
| LME Molybdenum | The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month) | 13:00 hours London time on the Last Trading Day |
| LME Cobalt | The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month) | 14:00 hours London time on the Last Trading Day |
| LME Aluminium Premium Duty Unpaid European | The last Business Day of the relevant tradeable month (where each calendar month shall be a tradeable month) | 15:00 hours London time on the Last Trading Day |

1.7 Settlement Basis

Cash Settlement based on the difference between the relevant Cash-Settled Future Final Settlement Price on the Prompt Date and the value of the Contract, multiplied by the Lot size.

1.8 Cash Settlement

| Contract | Final Settlement Date |
|--|--|
| LME Aluminium Premium Duty Unpaid US Midwest | Second Settlement Business Day following the Prompt Date |
| LME Alumina | Settlement Business Day following the Prompt Date |
| LME Molybdenum | Settlement Business Day following the Prompt Date |
| LME Cobalt | Settlement Business Day following the Prompt Date |
| LME Aluminium Premium Duty Unpaid European | Settlement Business Day following the Prompt Date |

(See Regulation 9, Settlement of Contracts, in Part 3, Trading Regulations.)

1.9 **Minimum Price Movement**

The minimum price movement for any Non-Ferrous Future other than Molybdenum and Cobalt shall be as follows:

| | Minimum price movement per tonne | |
|---------------------|----------------------------------|---------|
| Execution Venue | Outright | Carries |
| LME Select | \$0.50 | \$0.01 |
| Inter-office market | \$0.01 | \$0.01 |

The minimum price movement for Non-Ferrous Futures in Molybdenum shall be as follows:

| | Minimum price movement per pound | |
|---------------------|----------------------------------|---------|
| Execution Venue | Outright | Carries |
| LME Select | \$0.05 | \$0.01 |
| Inter-office market | \$0.01 | \$0.01 |

The minimum price movement for Non-Ferrous Futures in Cobalt shall be as follows:

| | Minimum price movement per tonne | |
|---------------------|----------------------------------|---------|
| Execution Venue | Outright | Carries |
| LME Select | \$50 | \$0.01 |
| Inter-office market | \$0.01 | \$0.01 |

1.10 **Notification of Procedures for determining the Cash-Settled Future Final Settlement Price**

The Exchange shall specify, by way of Administrative Procedure issued to the Members, the procedures that it shall apply in order to determine the Cash-Settled Future Final Settlement Price for each Non-Ferrous Future.

1.11 **Specification of the Cash-Settled Future Indices**

- (a) The Cash-Settled Future Index relevant to each Non-Ferrous Future shall be used by the Exchange to determine the Cash-Settled Future Final Settlement Price for that Non-Ferrous Future, in accordance with the procedures specified pursuant to Regulation 1.10 above.

- (b) The Exchange shall specify, by way of Notice issued to the Members, the relevant index or indices that shall constitute the Cash-Settled Future Index for each type of Non-Ferrous Future.
- (c) Where the Exchange uses multiple indices to constitute the Cash-Settled Future Index for a specific type of Non-Ferrous Future, the manner in which such indices shall be used for such purpose shall be as determined by the Exchange.

1.12 **Currency**

US Dollars.