

# Asia steel market – Is steel scrap the next strategic raw material?

LME Asia Metals Seminar 2023

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May 2023

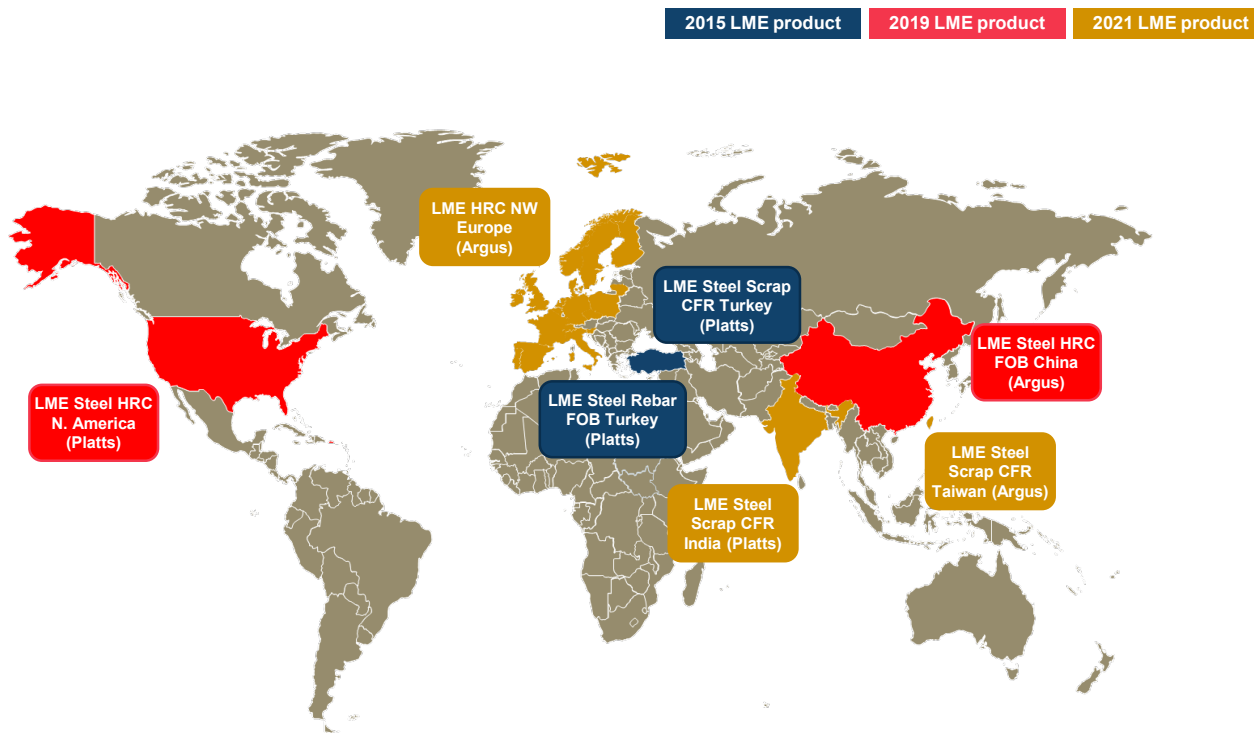


SETTING THE GLOBAL STANDARD



# LME ferrous suite

Seven steel futures to connect regional markets and provide a global service



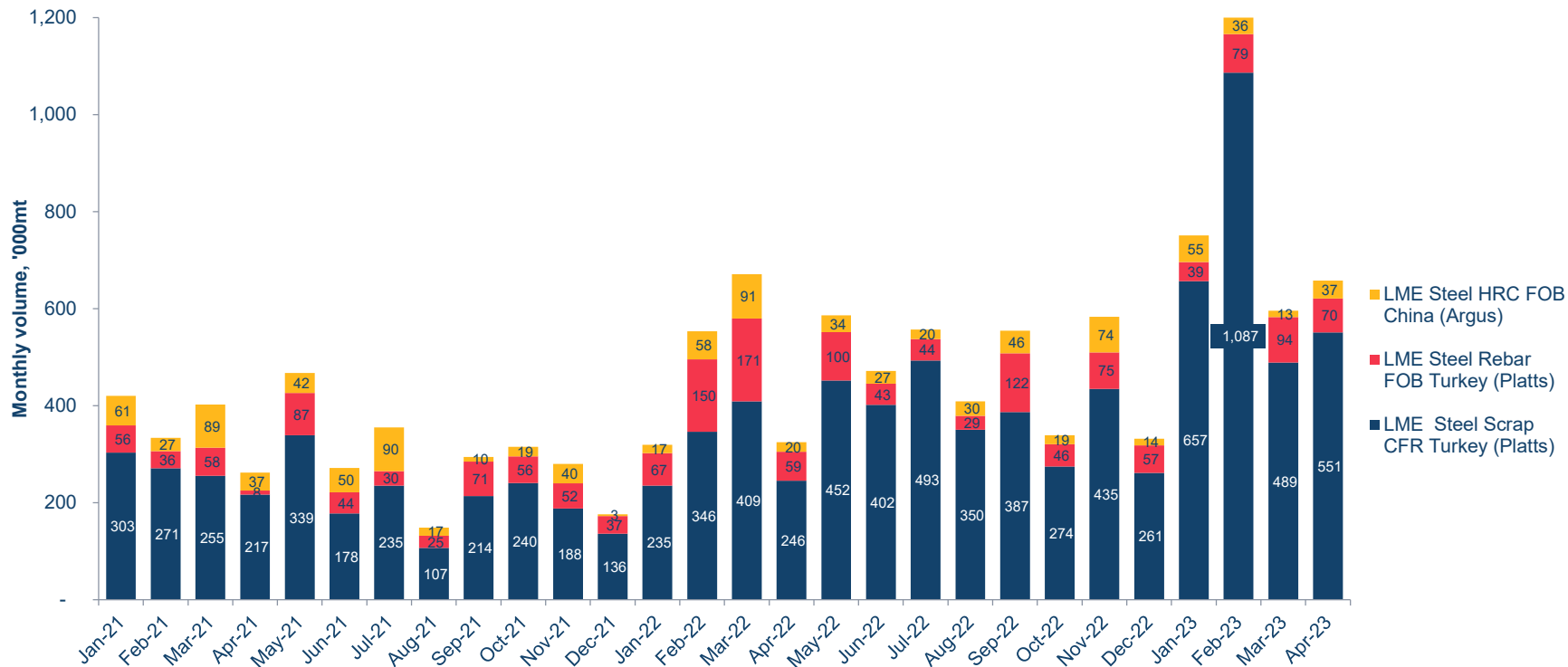
Source: LME



# LME ferrous suite

Over 30 million tonnes of steel futures have traded on the LME since Nov 2015

LME ferrous suite, monthly traded volumes in '000mt

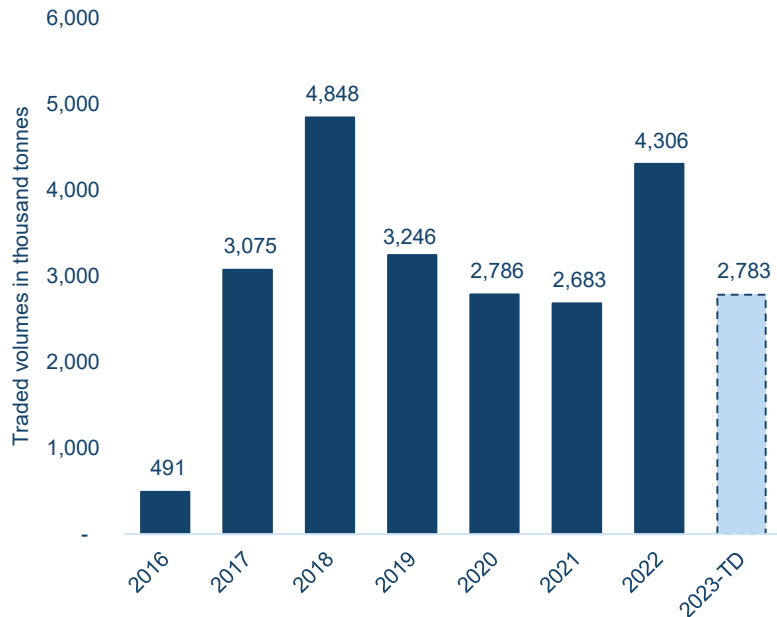


Source: LME  
Notes: data as of 02 May 2023

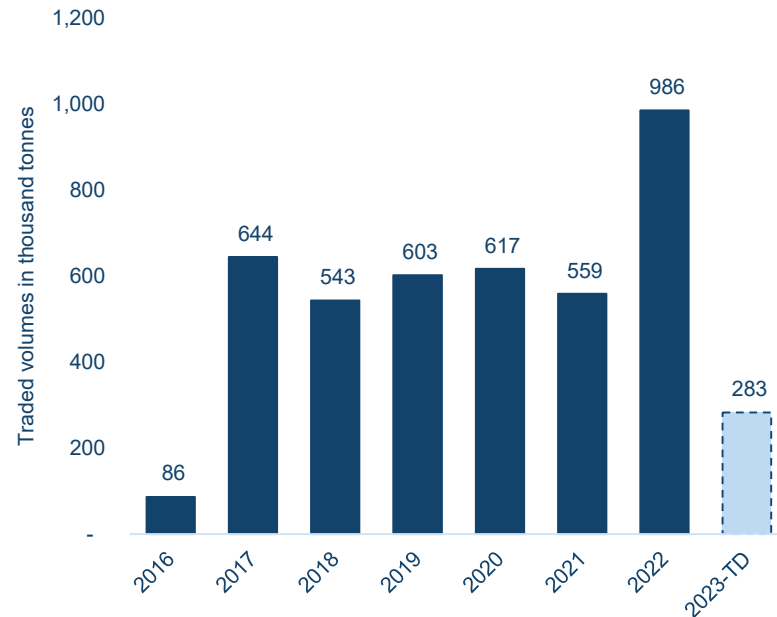


# LME ferrous suite

LME Steel Scrap CFR Turkey (Platts)



LME Steel Rebar FOB Turkey (Platts)

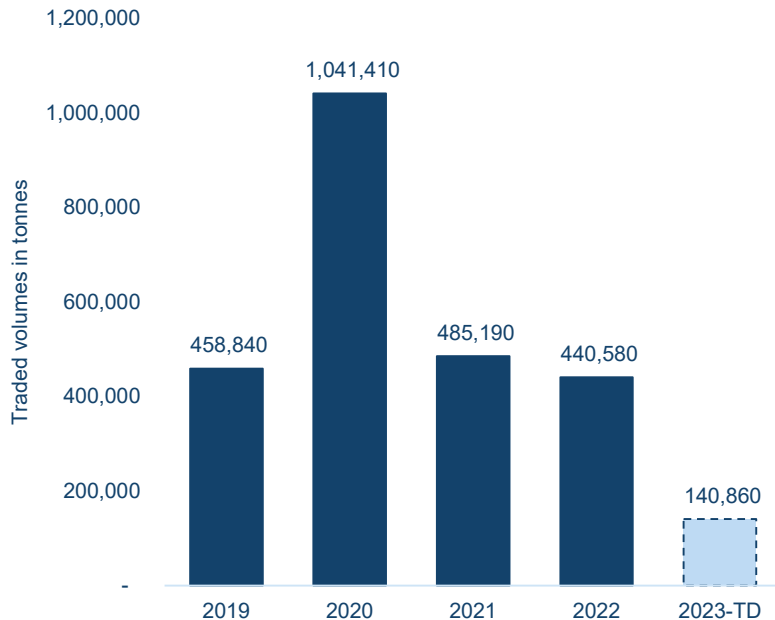


Source: LME  
Notes: data as of 02 May 2023

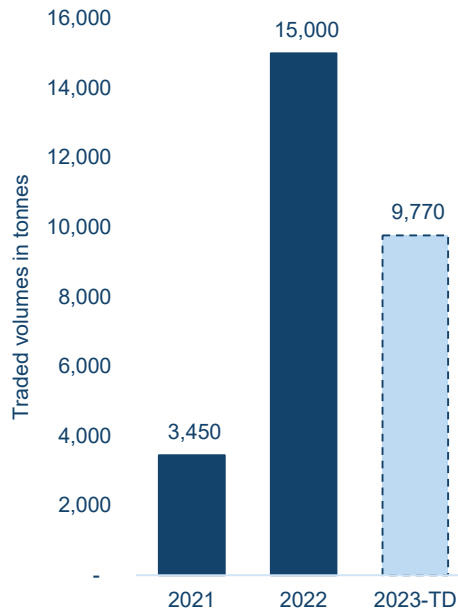


# LME ferrous suite

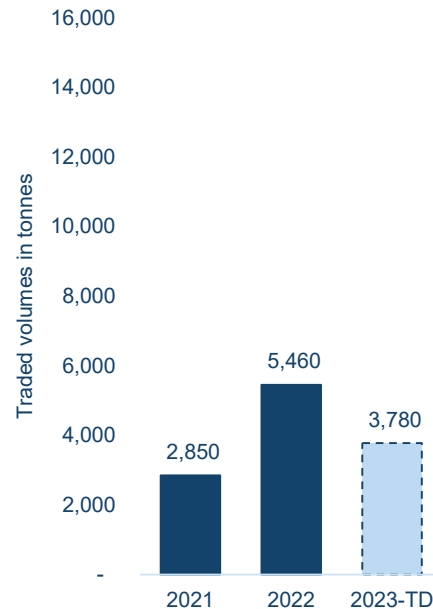
LME Steel HRC FOB China (Argus)



LME Steel Scrap CFR Taiwan (Argus)



LME Steel Scrap CFR India (Platts)



Source: LME  
Notes: data as of 02 May 2023



# Electronic liquidity initiatives

## Ferrous Liquidity Window

On 1 November 2022 we introduced a Liquidity Window for LME Steel Scrap CFR Turkey and LME Steel Rebar FOB Turkey:

- From 4:00pm to 4:30pm UK time on LMEselect every day
- Bid offer as tight as one tick (\$0.50) on M2, M3 and M4
- Traded sizes up to 50 lots (500 tonnes) per clip
- Good depth with 1,000s tonnes quoted within a \$10-\$12 bid offer spread

## Ferrous Liquidity Provider programmes

- The two new programmes went live on 1 November 2022 replacing the previous Ferrous LP programme
- The new programmes have already attracted more participants and there is a pipeline of interested prospects
- The application window will remain open until October 2023
- Each programme is tailored to the needs of a specific subset of contracts
- Increased the requirements to improve liquidity
- Shifted quoting activity for the Asian contracts to earlier in the day to facilitate trading during Asian hours

Contract	BQty	Bid	Offer	OQty	Turnover	LQty	Last
SCDNOV22	1	341.00	347.00	10	3	1	347.00
	20	340.00	347.50	2			
	1	339.00	348.00	1			
	1	338.00	349.00	2			
	1	337.50					
SCDDEC22	1	353.00	354.00	1	30	10	354.00
	2	353.00	354.50	1			
	1	350.00	355.00	20			
	10	350.00	357.00	1			
	3	349.50	357.50	7			
	20	349.00	358.00	5			
	5	348.00	358.50	1			
	6	347.50	359.00	1			
			360.00	25			
			360.50	20			
SCDJAN23	1	359.00	362.00	20	13	1	360.00
	1	358.50	363.50	2			
	1	358.00	364.50	5			
	10	357.00	365.00	1			
	5	354.50	367.00	10			
	25	350.00	370.00	2			
SCDFEB23	1	362.00	366.00	1			
	1	361.50	366.50	2			
	1	361.00	367.00	10			
	5	357.50	367.50	5			
	10	357.00					
SCDMAR23	1	366.50	369.50	1	1	1	368.50
	1	366.00	370.00	1			
	1	363.00	371.00	1			
	1	360.00	373.00	1			
	1	359.50	376.50	1			
SCDAPR23	1	369.00	372.50	1			
	1	367.50	373.00	22			
	1	365.50	375.50	1			
	2	363.00	379.00	1			
SCDMAY23	1	371.00	375.00	22			
	1	369.00	378.00	1			
	1	368.00	381.00	1			
	2	365.00					
SCDJUN23	1	373.00	378.00	2			
SCDJUL23	1	371.00	380.00	2			
SCDAUG23	1	372.00	380.00	2			
SCDSEP23	4	372.00	382.00	4			
SCDOCT23	4	371.00	381.00	4			
SCDNOV23	4	371.00	381.00	4			
SCDDEC23	4	371.00	381.00	4			
SCDNOV22-DEC22	1	13.00c	6.50c	2	3	1	6.50c
SCDDEC22-JAN23	1	8.50c	5.00c	1			
SCDDEC22-FEB23	3	12.50c	8.00c	1			
SCDDEC22-MAR23	1	16.00c	12.50c	2	1	1	12.50c
SCDDEC22-APR23	1	18.50c	15.00c	1			

Screenshot as of 16:15 UK time on Tuesday 22 November 2022



# 15-min delayed prices on lme.com



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Trading day summary **Intraday prices** Volume and open interest Price graph Five-day look-back

INTRADAY PRICES | Shown in US\$

24 Nov 2022

LMEselect quotes*				
Contract	Bid quantity (lots)	Bid	Ask	Ask quantity (lots)
Month 1	2	344.00	346.00	1
Month 2	4	351.00	352.00	17
Month 3	2	358.00	359.50	2
Month 4	2	361.50	362.00	1
Month 5	1	363.50	364.50	1
Month 6	6	365.00	370.50	2
Month 7	2	365.00	372.50	2
Month 8	2	368.50	374.50	2
Month 9	2	370.50	372.00	2
Month 10	1	370.00	370.50	1
Month 11	2	372.50	377.00	2
Month 12	2	371.50	376.00	2
Month 13	2	371.50	375.50	2
Month 14	2	371.50	375.50	2
Month 15	0	0.00	0.00	0

\*Quotes are 15 minute delayed or the latest data available.

LMEselect + interoffice intraday prices*					
Contract	Last price	% change	Absolute change	Last trade time	Previous Closing Price
Month 1	345.50	- 0.14	- 0.50	08:30:39	346.00
Month 2	352.00	- 0.98	- 3.50	08:30:39	355.50
Month 3	359.00	- 0.28	- 1.00	08:30:39	360.00
Month 4	-	-	-	-	363.50
Month 5	366.50	- 0.81	- 3.00	04:44:43	369.50
Month 6	370.50	+ 0.14	+ 0.50	08:29:46	370.00
Month 7	372.50	0.00	0.00	08:29:46	372.50

Source: LME  
Notes: data as of 24 November 2022 am UK



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