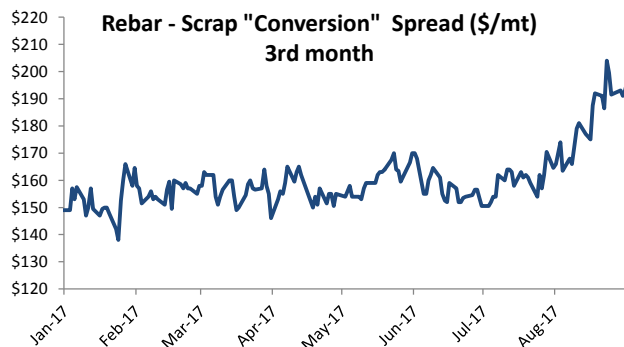
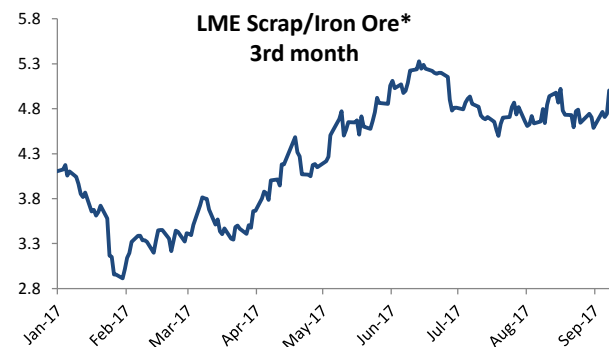
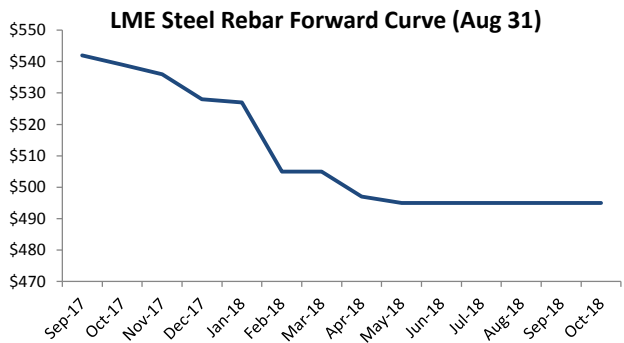
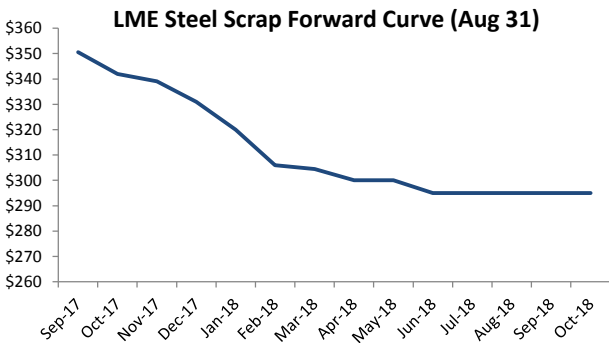
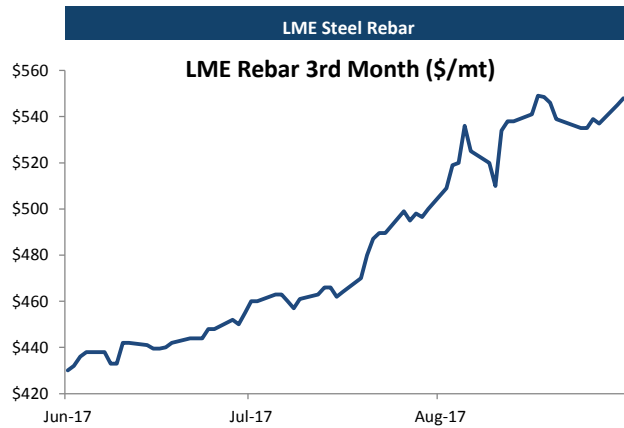
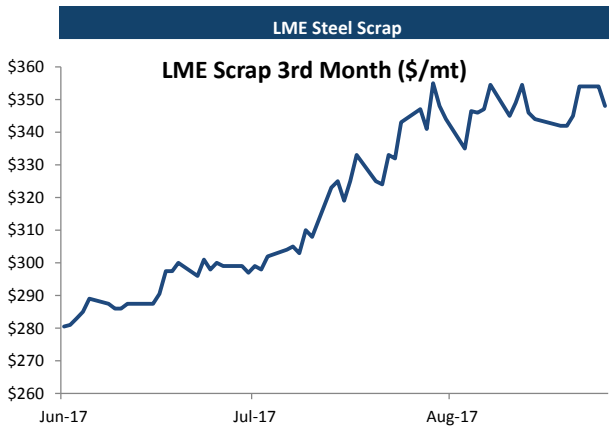


Comments:

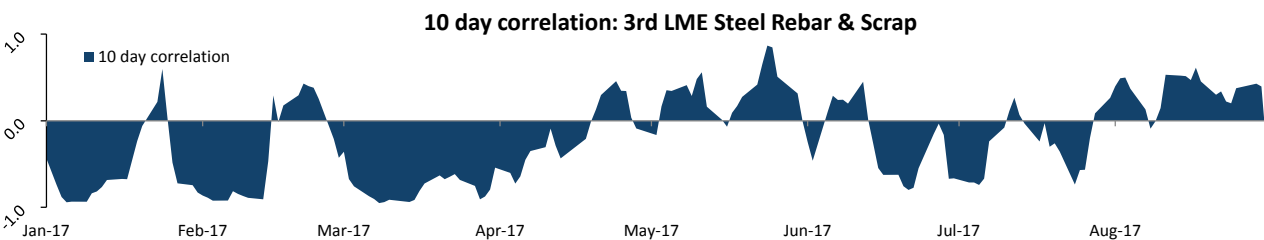
On Thursday 31 August 2017, the LME Steel Scrap and LME Steel Rebar August contracts settled at **\$346.86/mt** and **\$520.39/mt** respectively. This constitutes a monthly increase of 3.6% for scrap and 3.3% for rebar.

Although the LME Steel Scrap contract curve generally recorded an upward shift through August, early 2018 prompts rose less than the average. In particular, the February 2018 prompt decreased by 1.6%, sustaining the steep backwardation observed last month. The forward curve flattened in H2 2018 at the price of \$295.00/mt. The LME Steel Rebar forward curve also remained in backwardation and recorded a marked upward shift across the board. The prices of November 2017, December 2017 and September 2018 prompts recorded double digit growth over the last month, while the March 2017 contract caught up with the February 2017 contract. As with scrap, the rebar curve flattens in H2 2018.

The price of iron ore remained subdued compared to the price of scrap. The "apparent conversion" spread (i.e. LME Steel Rebar - LME Steel Scrap) rose by 18.67% to close at \$197.00/mt, which is above the 6 month running average of \$162.52/mt.



* Source: Metal Bulletin



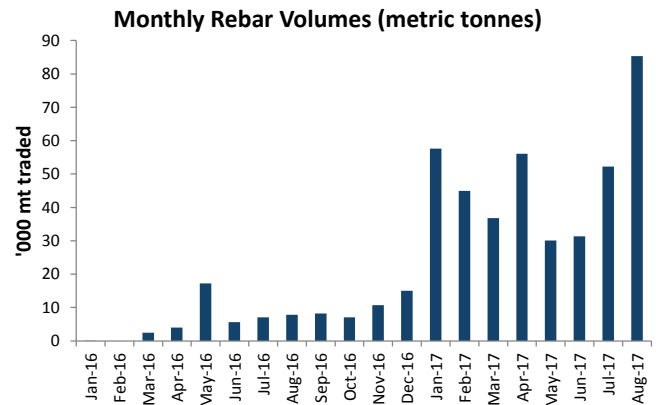
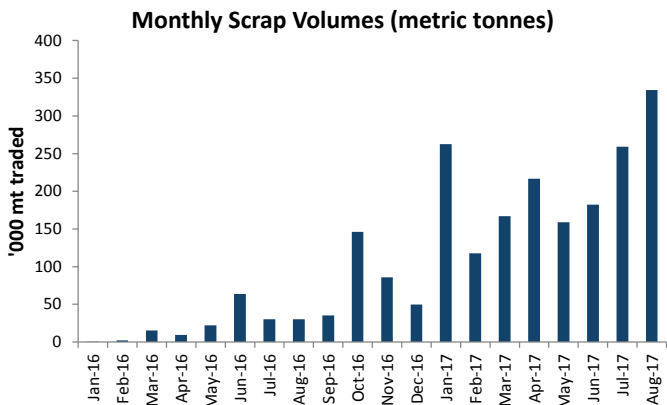
Source: Bloomberg LP, Platt's TSI, LME

Comments:

LME Steel Scrap traded the equivalent of 334,230 metric tonnes last month, a 29% increase from July. LME Steel Rebar traded 85,300 tonnes, a 63% increase from July 2017.

The LME Steel Scrap open interest peaked at 75,570 tonnes, averaging 70,838 tonnes over the last full trading week of August. LME Steel Rebar open interest averaged 14,318 metric tonnes in the last full trading week of the month. End of month drops in open interest tend to be observed as positions in the front month expire; scrap open interest dropped 19,050 tonnes at the end of August to 54,360 tonnes, while rebar dropped 4,080 tonnes to 9,740 tonnes.

LME Steel ScrapLME Steel Rebar



LME Steel Scrap

	Price	Month Change (%)	Monthly Volume (lots)	Open Interest end of month (lots)	Open Interest (lots)
Aug-17	\$346.90	3.6%	2,425	Expired	0
Sep-17	\$350.50	5.3%	16,545	2,700	2,700
Oct-17	\$342.00	4.9%	8,776	778	778
Nov-17	\$339.00	5.0%	1,982	360	360
Dec-17	\$331.00	3.4%	1,736	352	352
Jan-18	\$320.00	1.9%	856	234	234
Feb-18	\$306.00	-1.6%	558	285	285
Mar-18	\$304.50	1.5%	521	201	201
Apr-18	\$300.00	0.7%	12	104	104
May-18	\$300.00	1.7%	3	104	104
Jun-18	\$295.00	5.4%	0	105	105
Jul-18	\$295.00	5.4%	0	103	103
Aug-18	\$295.00	5.4%	0	103	103
Sep-18	\$295.00	5.4%	6	6	6
Oct-18	\$295.00		3	1	1
Aggregate:			33,423	5,436	

LME Steel Rebar

	Price	Month Change (%)	Monthly Volume (lots)	Open Interest end of month (lots)	Open Interest (lots)
Aug-17	\$520.40	3.3%	575	Expired	0
Sep-17	\$542.00	8.6%	1,660	245	245
Oct-17	\$539.00	8.9%	3,762	373	373
Nov-17	\$536.00	11.0%	704	107	107
Dec-17	\$528.00	10.0%	621	111	111
Jan-18	\$527.00	9.8%	542	44	44
Feb-18	\$505.00	5.0%	301	40	40
Mar-18	\$505.00	8.6%	365	51	51
Apr-18	\$497.00	7.3%	0	1	1
May-18	\$495.00	7.4%	0	1	1
Jun-18	\$495.00	8.8%	0	1	1
Jul-18	\$495.00	8.8%	0	0	0
Aug-18	\$495.00	8.8%	0	0	0
Sep-18	\$495.00	10.0%	0	0	0
Oct-18	\$495.00		0	0	0
Aggregate:			8,530	974	

Contract specifications

Contract names and codes	LME Steel Scrap	SC	
	LME Steel Rebar	SR	
Contract type	Futures		
Delivery type	Cash settled		
Lot size	10 metric tonnes		
Contract period	Monthly out to 15 months		
Price quotation	US dollars per metric tonne		
Clearable currencies	US dollars		
Minimum price fluctuation (tick size) per metric tonne	Venue	Outright	Carries
	LMEselect	\$0.50	\$0.01
	Inter-office	\$0.01	\$0.01
Termination of trading	Last business day of the contract month until 16:30 London time		
Daily settlement procedure	LME Market Operations will calculate daily settlement values based on its published procedure		
Final settlement procedure	LME Steel Scrap	Final settlement, following termination of the trading for a contract month, will be based on the Monthly Average Price Index of the "Platts TSI HMS 1&2 (80:20) CFR Turkey" Index, which is available from 16:30 on the last trading day	
	LME Steel Rebar	Final settlement, following termination of the trading for a contract month, will be based on the Monthly Average Price Index of the "Platts Rebar, Turkish Exports, FOB Turkey Port" Index, which is available from 16:30 on the last trading day	
Trading venues	LMEselect and Inter-office telephone		
Trading hours	LMEselect	01:00-19:00 London time	
	Inter-office	24 hours a day	
Margining	Realised variation margins applied		

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