

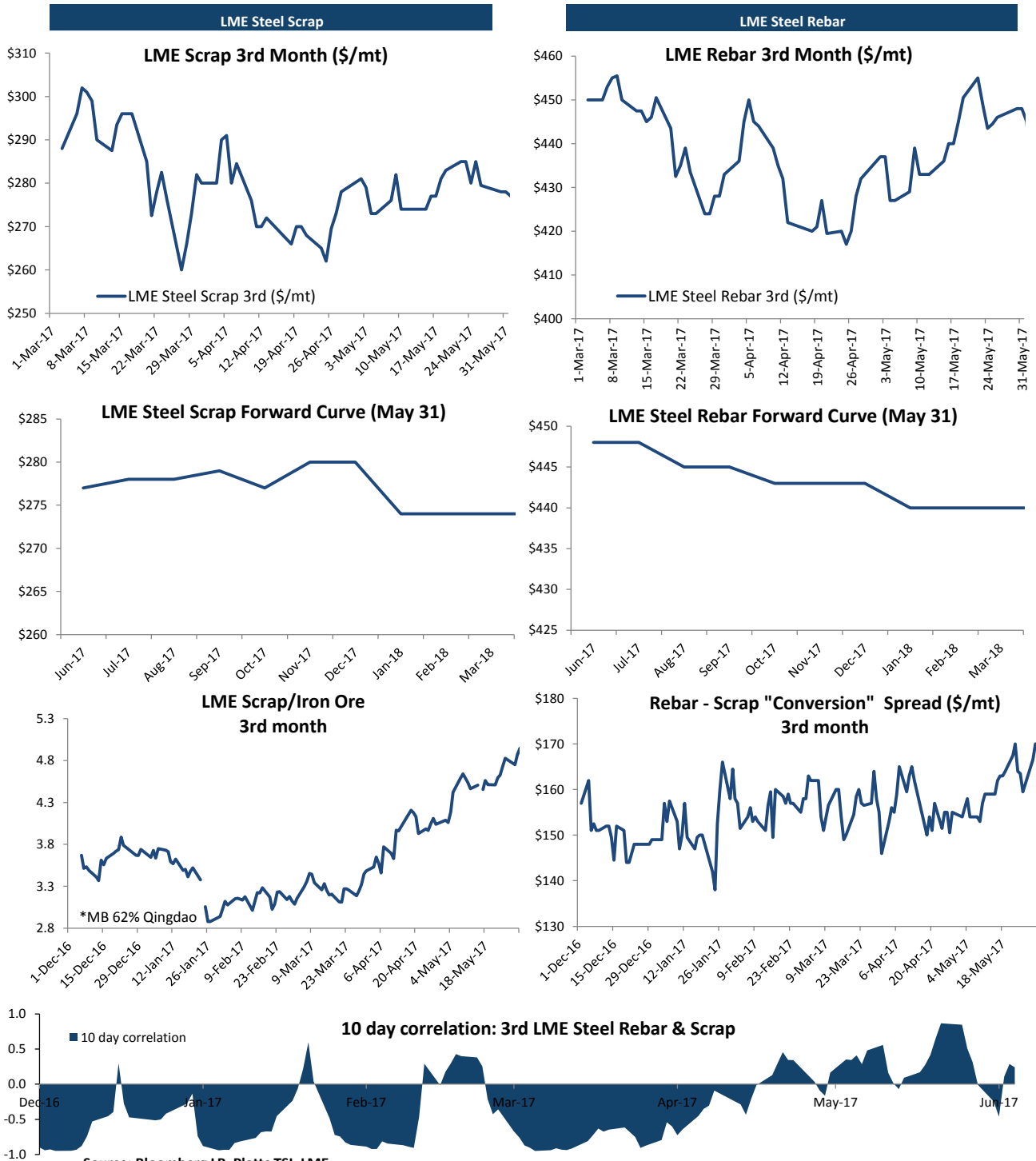
Comments:

On Wednesday 31 May 2017, the LME Steel Scrap and LME Steel Rebar May contracts settled at **\$272.70/mt** and **\$430.30/mt** respectively. This constitutes a monthly decrease of 2.3% for scrap and a 0.6% decrease for rebar.

Through May, the forward dated contracts for LME Steel Rebar remained in backwardation, while the LME Steel Scrap forward curve went into a slight contango for the nearby months. Both contracts saw the biggest price increase for December 2017, which was as high as 6% for rebar and 4.9% for scrap.

The iron ore price continued to fall compared to the price of scrap last month such that the ratio is now the highest since June 2016.

The "apparent conversion" spread (i.e. LME Steel Rebar - LME Steel Scrap) closed the month at \$170/mt, which is considerably higher than the six month running average of \$155/mt.



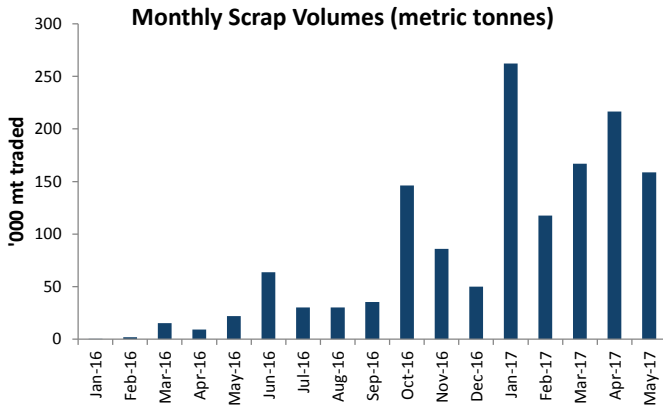
Source: Bloomberg LP, Platts TSI, LME

Comments:

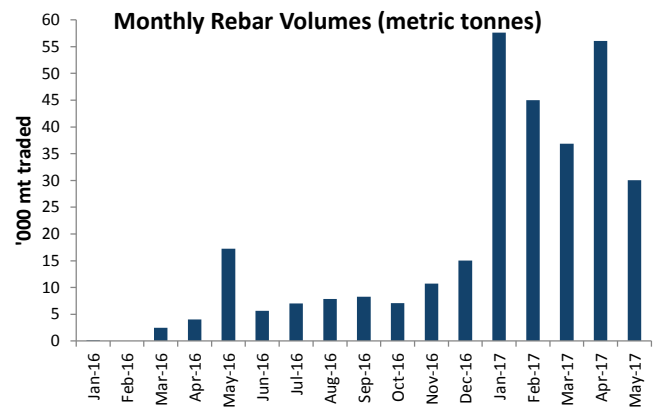
LME Steel Scrap traded the equivalent of 158,720 metric tonnes last month of which 87,280 metric tonnes traded in the last four days of the month. This was the second most concentrated four-day period of volume. The high volume day of 33,360 metric tonnes on 25 May 2017 was the fourth highest since the contract launched. LME Steel Rebar traded 30,070 metric tonnes, including three days that traded in excess of 4,000 metric tonnes.

LME Steel Rebar open interest peaked at 14,480 metric tonnes last month, whilst the LME Steel Scrap open interest peaked at 52,450 metric tonnes. End of month drops in open interest are normal as positions expire. Rebar open interest dropped 6,130 metric tonnes at the end of May.

LME Steel Scrap



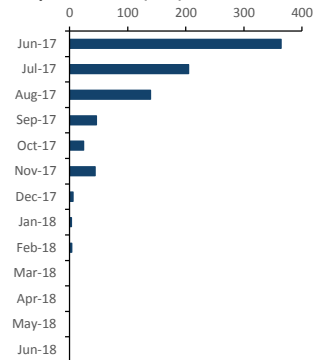
LME Steel Rebar



LME Steel Rebar

	Price	Month Change (%)	Monthly Volume (lots)	Open Interest end of month
May-17	\$430.30	-0.6%	776	Expired
Jun-17	\$448.00	3.7%	678	364
Jul-17	\$448.00	3.7%	637	205
Aug-17	\$445.00	3.0%	398	139
Sep-17	\$445.00	3.5%	203	46
Oct-17	\$443.00	4.0%	166	24
Nov-17	\$443.00	4.9%	96	44
Dec-17	\$443.00	6.0%	53	6
Jan-18	\$440.00	5.3%	0	3
Feb-18	\$440.00	5.3%	0	4
Mar-18	\$440.00	5.3%	3	0
Apr-18	\$440.00	5.3%	0	0
May-18	\$440.00	5.3%	0	0
Jun-18	\$440.00	5.3%	0	0
Aggregate:			3,010	835
Number of trades:			695	

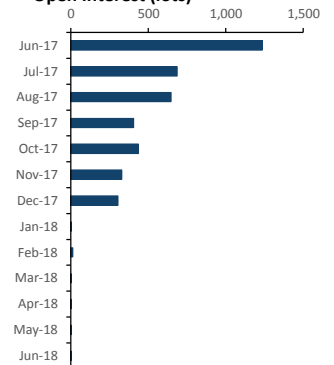
Open Interest (lots)



LME Steel Scrap

	Price	Month Change (%)	Monthly Volume (lots)	Open Interest end of month
May-17	\$272.70	-2.3%	502	Expired
Jun-17	\$277.00	-0.4%	5,260	1,235
Jul-17	\$278.00	0.0%	3,702	685
Aug-17	\$278.00	1.1%	2,968	646
Sep-17	\$279.00	1.8%	2,205	405
Oct-17	\$277.00	1.5%	469	436
Nov-17	\$280.00	3.9%	399	328
Dec-17	\$280.00	4.9%	339	303
Jan-18	\$274.00	2.6%	7	1
Feb-18	\$274.00	2.6%	7	12
Mar-18	\$274.00	2.6%	7	1
Apr-18	\$274.00	2.6%	7	1
May-18	\$274.00	2.6%	0	1
Jun-18	\$274.00	2.6%	0	1
Aggregate:			15,872	4,055
Number of trades:			704	

Open Interest (lots)



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 tonne	Venue	Outright	Carries
	LMEselect Inter-office	\$0.50 \$0.01	\$0.01 \$0.01
Termination of trading	LME Steel Scrap - Last business day of the contract month until 13.30 London time		
	LME Steel Rebar - 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 Index Price of the "TSI Scrap HMS#1 and HMS#2, 80:20 Turkish Imports CFR Iskenderun Port" Index, which is available from 13.30 London time 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 Index Price of the "Platts Rebar, Turkish exports, FOB Turkey port" Index, which is available from 16.30 London time on the last trading day		
Trading venues	LMEselect and Inter-office telephone		
Trading hours	LMEselect	01.00-19.00 London time	
	Inter-office telephone	24 hours a day	
Margining	Realised variation margins applied		

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