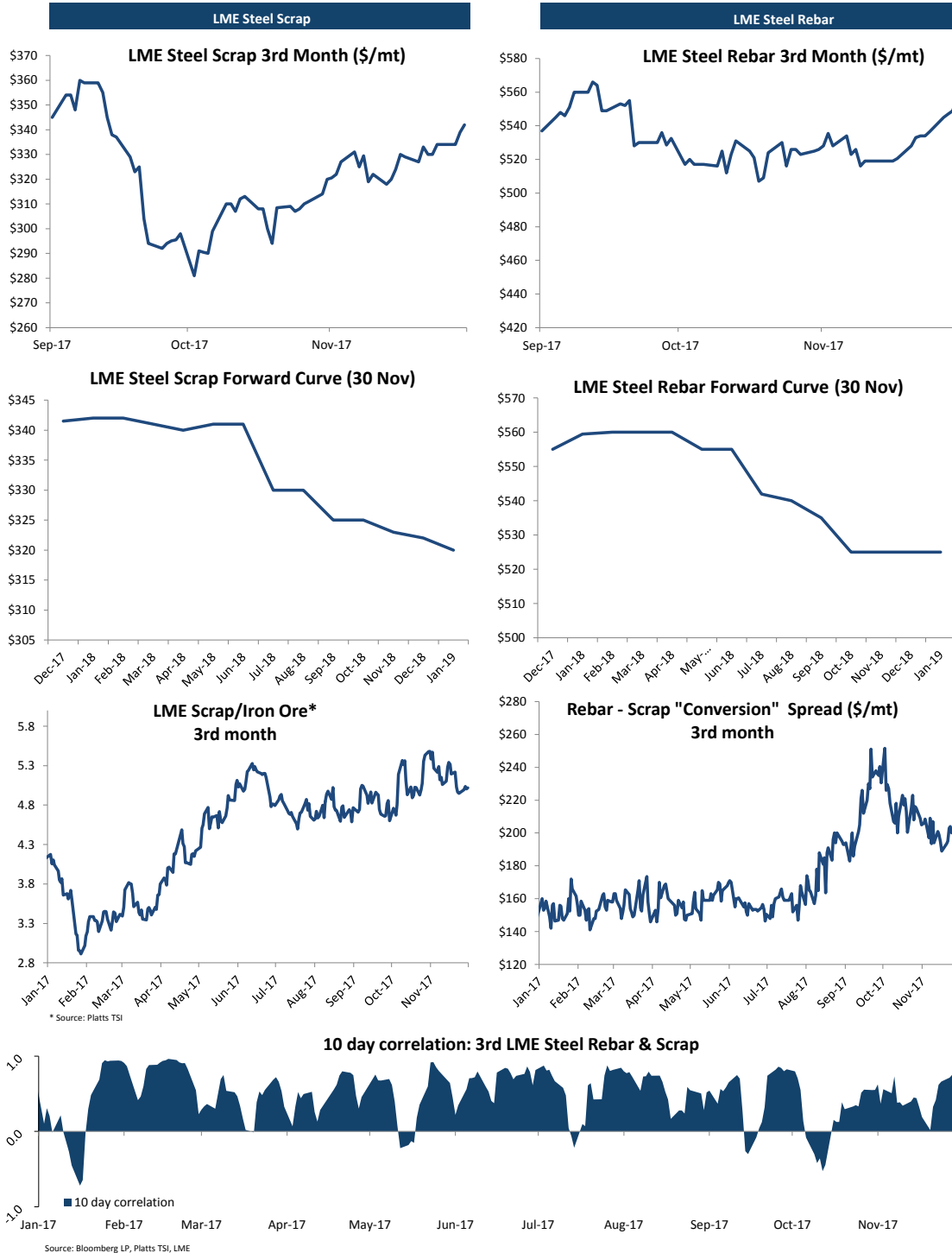


Comments:

On Thursday 30 November 2017, the LME Steel Scrap and LME Steel Rebar October contracts settled at **\$312.91/mt** and **\$517.84/mt** respectively. This constitutes monthly decreases of -2.2% for scrap and of -1.6% for rebar.

Following a period of price gains in the spot market, in November the LME Steel Scrap and LME Steel Rebar forward curves recorded a marked upward shift in the range of plus \$20-\$30 for each prompt. Both curves remain in a backwardation.

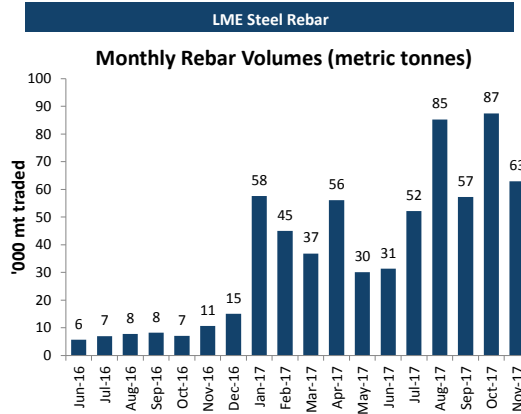
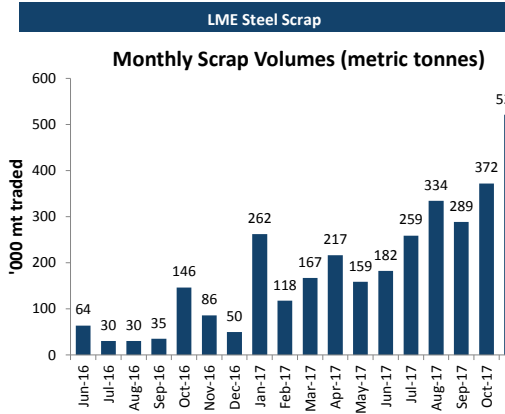
The price of iron ore remained subdued compared to the price of scrap, with the ratio between the two remaining quite consistently towards the upper end of its 2017 range. The "apparent conversion" spread (i.e. LME Steel Rebar - LME Steel Scrap) showed a small recovery towards the end of the month to close at \$207.00/mt, which is above the 6-month running average of \$188.40/mt.



Comments:

LME Steel Scrap traded the equivalent of 521,270 metric tonnes last month. On Thursday 23 November, 20,000 tonnes of Jan-18 Scrap traded in a single transaction, this is roughly the equivalent of the HMS 80:20 portion in a typical deep sea cargo on the US East Coast - Turkey route. LME Steel Rebar traded 62,900 tonnes, showing a moderate slowdown on October.

The LME Steel Scrap open interest peaked at 71,110 tonnes on 24 November and averaged 65,110 tonnes over the last five trading days of November. LME Steel Rebar open interest peaked at 20,250 tonnes on 29 November and averaged 19,190 tonnes in the last five trading days of November. End of month drops in open interest tend to be observed as positions in the front month expire; scrap open interest dropped 20,610 tonnes at the end of November to 47,570 tonnes, while rebar dropped 2,920 tonnes to 17,330 tonnes.



LME Steel Scrap					
	Price	Month Change (%)	Monthly Volume (lots)	Open Interest EOM (lots)	Open Interest (lots)
Nov-17	\$312.91	-2.2%	8,357	Expired	0
Dec-17	\$341.50	6.7%	10,238	1,306	~1,300
Jan-18	\$342.00	7.5%	19,631	2,256	~2,250
Feb-18	\$342.00	8.2%	4,054	246	~250
Mar-18	\$341.00	8.3%	2,799	200	~200
Apr-18	\$340.00	7.9%	2,448	204	~200
May-18	\$341.00	10.0%	2,147	132	~130
Jun-18	\$341.00	10.0%	1,521	196	~200
Jul-18	\$330.00	10.0%	303	24	~25
Aug-18	\$330.00	10.0%	303	22	~25
Sep-18	\$325.00	8.3%	305	100	~100
Oct-18	\$325.00	8.3%	6	25	~25
Nov-18	\$323.00	11.4%	6	23	~25
Dec-18	\$322.00	11.0%	6	22	~25
Jan-19	\$320.00		3	1	~25
Aggregate:			52,127	4,757	

LME Steel Rebar					
	Price	Month Change (%)	Monthly Volume (lots)	Open Interest EOM (lots)	Open Interest (lots)
Nov-17	\$517.84	-1.6%	60	Expired	0
Dec-17	\$555.00	5.5%	1,490	421	~420
Jan-18	\$559.50	6.0%	1,185	151	~150
Feb-18	\$560.00	8.1%	2,229	903	~900
Mar-18	\$560.00	8.1%	326	72	~70
Apr-18	\$560.00	8.5%	493	106	~100
May-18	\$555.00	8.6%	260	37	~35
Jun-18	\$555.00	8.6%	195	29	~30
Jul-18	\$542.00	7.3%	3	1	~3
Aug-18	\$540.00	6.9%	11	3	~3
Sep-18	\$535.00	5.9%	11	2	~3
Oct-18	\$525.00	4.0%	8	3	~3
Nov-18	\$525.00	4.0%	8	2	~3
Dec-18	\$525.00	4.0%	11	3	~3
Jan-19	\$525.00		0	0	~3
Aggregate:			6,290	1,733	

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 16.30 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 "Platts TSI HMS 1&2 (80:20) Turkish Imports CFR Turkey" Index, which is available from 16.30 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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