

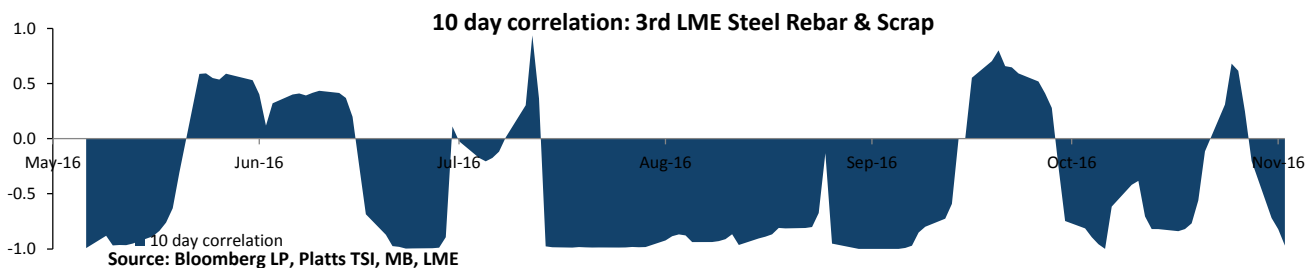
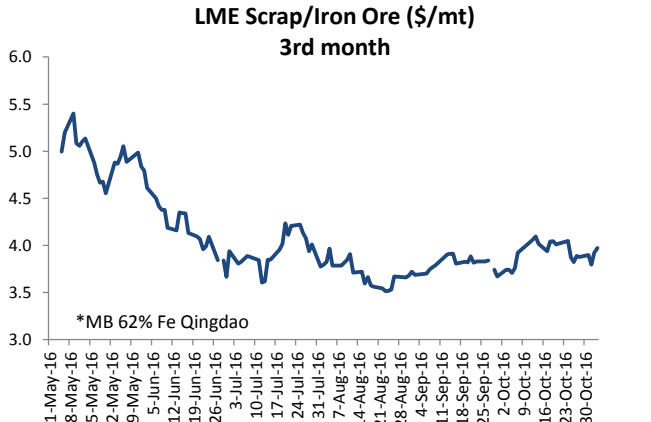
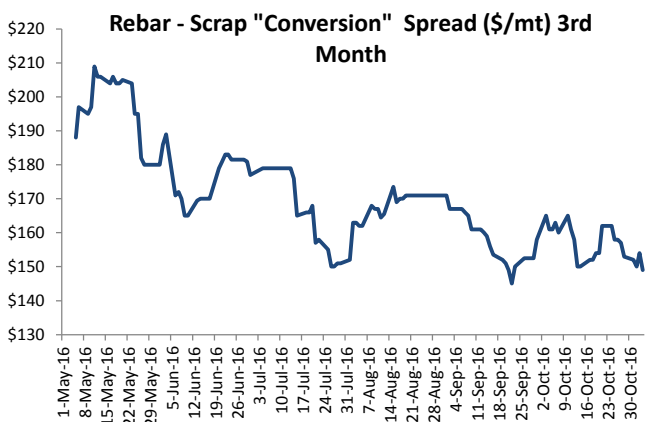
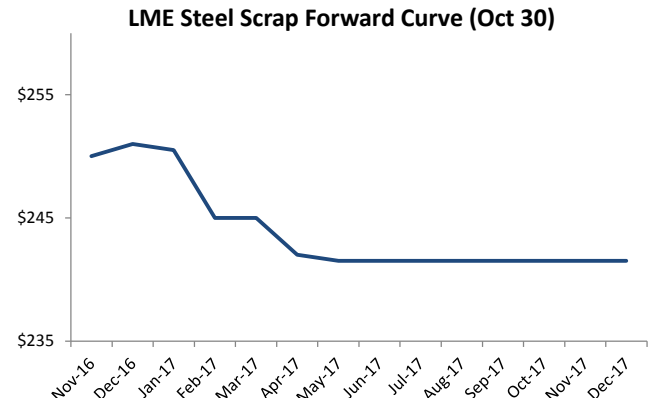
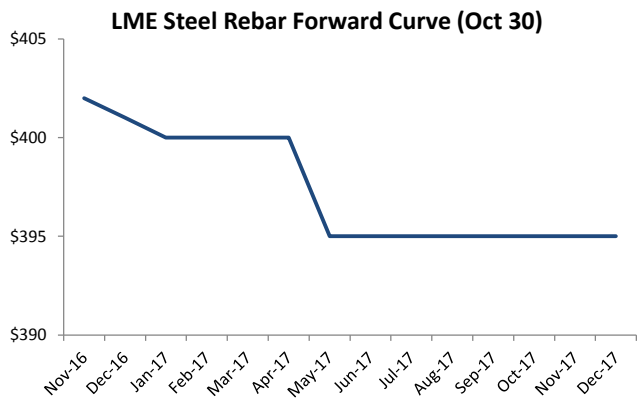
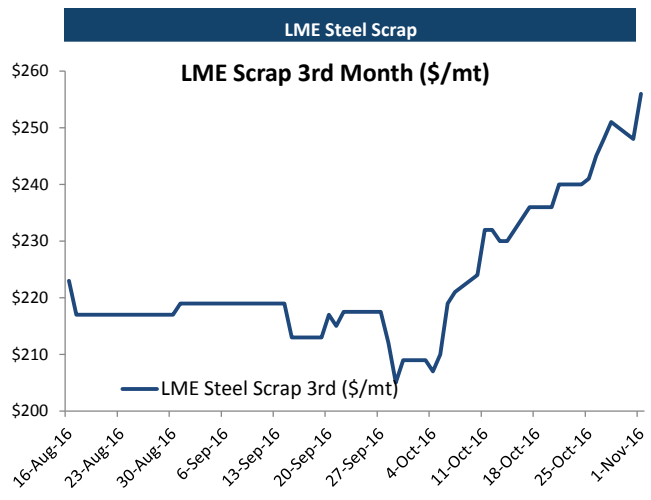
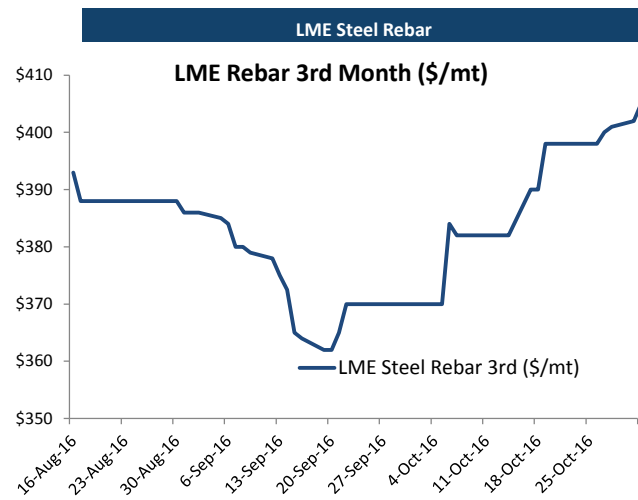
Page 1: Price Review

Comments:

On Monday 31 October, LME Steel Scrap and LME Steel Rebar October contracts settled at **\$223.38/mt** and **\$375.60/mt** respectively. A monthly increase of 9.0% for scrap and a 1.1% increase for rebar.

Further dated contracts experienced even larger gains. The December dated contract was up 8.4% in rebar and 20% in scrap. The higher rise in the scrap price sees the apparent conversion spread "rebar-scrap" for the third month down to \$150/mt; this is down \$21/mt compared to the end of August. The 3-month scrap price also increased more than the spot iron ore moves last month, such that the price ratio was over 4x for the first time since July.

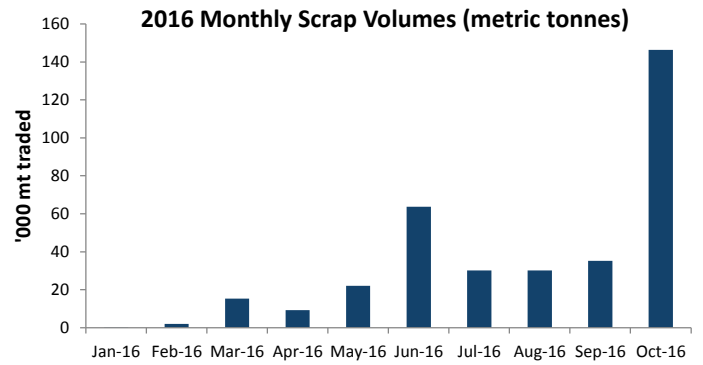
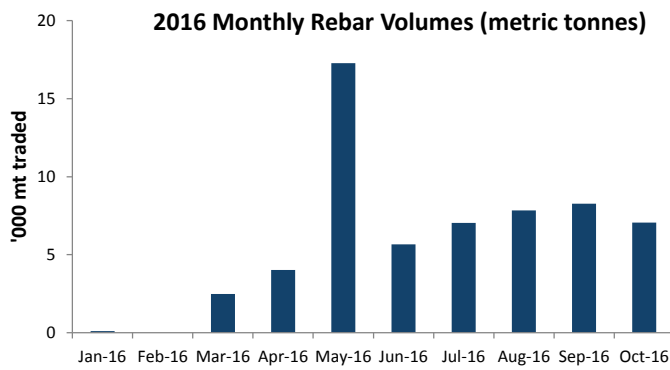
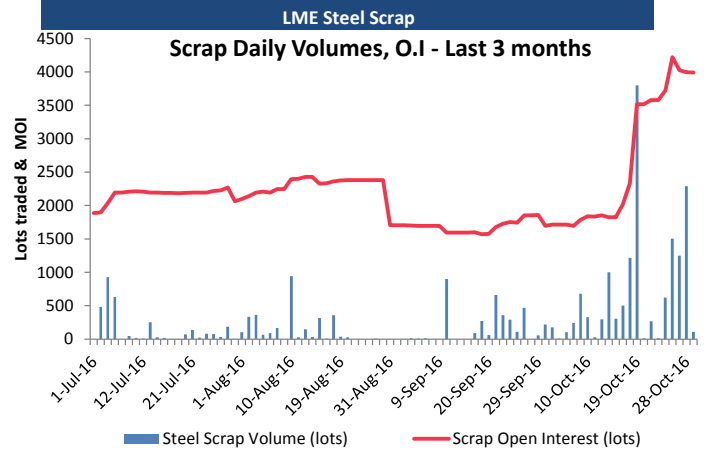
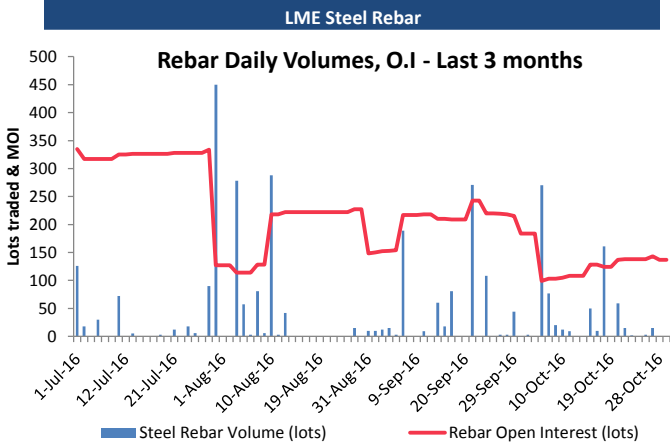
The LME Steel Scrap forward curve is now in backwardation after February and since the Nov-Feb contracts gained most through October. The LME Steel Rebar curve was effectively flat at the end of September, but now takes a slightly backwardated shape with prices after May 2017 discounted by \$5/mt from prior expiries.



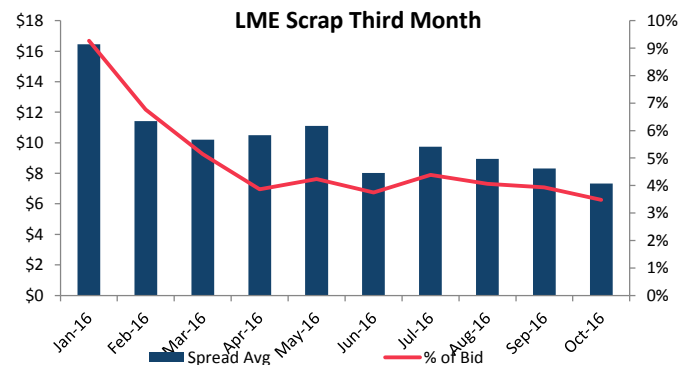
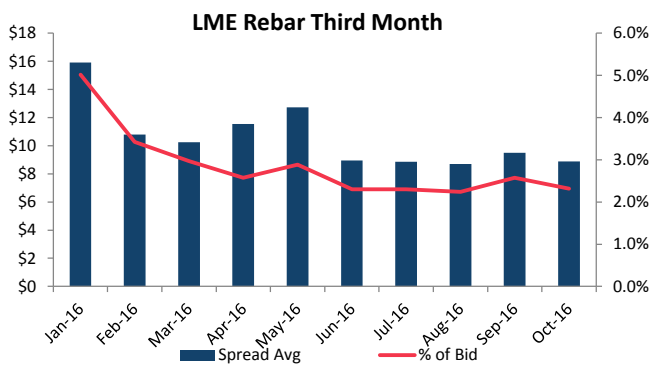
Comments:
 LME Steel Scrap volumes surged more than 4-fold last month to the equivalent of a record 146,310 metric tonnes. That takes total year-to-date volumes to 354,130 mt. Last month included a high trading day of 38,000 mt which is a notable milestone for demonstrating the liquidity of the contract could be sufficient to hedge an entire deep-sea fixture. Open interest also jumped on the high trading day and ended the month just below 40,000 mt with positions out as far as August 2017. January and December months have the largest open interest and January positions increased the most -752 lots - last month.

LME Steel Rebar activity was flat on last month and largely holding on to the progressive ramp up in volumes ongoing since March. LME Steel Rebar traded the equivalent of 7,600 mt last month and open interest also drifted up slightly to the equivalent of 1,370 metric tonnes at the end of the month.

The LME Steel Scrap bid - ask spread last month was the tightest on record, averaging below \$8/mt. LME Steel Rebar spreads returned to below \$9/mt.



Bid-Ask Spreads (Third Month)



	Spread Avg	% of Bid	Bid Size Average	Ask Size Average
January-16	\$15.9	5.0%	6.2	8.6
February-16	\$10.8	3.4%	7.3	9.5
March-16	\$10.2	3.0%	10.0	11.9
April-16	\$11.5	2.6%	8.8	11.5
May-16	\$12.7	2.9%	8.7	9.7
June-16	\$9.0	2.3%	8.1	8.5
July-16	\$8.9	2.3%	2.5	2.8
August-16	\$8.7	2.2%	6.4	7.7
September-16	\$9.5	2.6%	6.3	5.8
October-16	\$8.9	2.3%	4.9	6.5

	Spread Avg	% of Bid	Bid Size Average	Ask Size Average
January-16	\$16.4	9.3%	6.9	7.6
February-16	\$11.4	6.8%	8.0	8.2
March-16	\$10.2	5.1%	10.3	9.9
April-16	\$10.5	3.9%	8.5	9.3
May-16	\$11.1	4.2%	7.8	12.3
June-16	\$8.0	3.7%	8.4	6.9
July-16	\$9.7	4.4%	3.1	3.6
August-16	\$8.9	4.1%	5.5	6.4
September-16	\$8.3	3.9%	5.3	8.4
October-16	\$7.3	3.5%	3.9	8.9

Note: Bid-Ask spreads are taken during active market making quoting hours 10am - 5pm only
 Average Bid-Ask spreads are taken across the top 5 bids and asks
 Bid-Ask spreads are shown in \$ per mt, Outright Tick size is \$0.5/mt \$0.1/mt for carries

Data as of 02/11/2016

LME Steel Rebar						
	Price	Month Change (%)	Monthly Volume (lots)	Open Interest end of month	Open interest (lots)	
Oct-16	\$375.60	1.1%	243	Expired		
Nov-16	\$402.00	8.6%	93	43	Nov-16	43
Dec-16	\$401.00	8.4%	198	49	Dec-16	49
Jan-17	\$400.00	8.1%	380	37	Jan-17	37
Feb-17	\$400.00	8.1%	27	3	Feb-17	3
Mar-17	\$400.00	8.1%	3	3	Mar-17	3
Apr-17	\$400.00	8.1%	2	1	Apr-17	1
May-17	\$395.00	6.8%	0	1	May-17	1
Jun-17	\$395.00	6.8%	0	0	Jun-17	0
Jul-17	\$395.00	6.8%	0	0	Jul-17	0
Aug-17	\$395.00	6.8%	0	0	Aug-17	0
Sep-17	\$395.00	6.8%	0	0	Sep-17	0
Oct-17	\$395.00	6.8%	0	0	Oct-17	0
Nov-17	\$395.00	6.8%	0	0	Nov-17	0
Aggregate:			706	137		
Number of trades:			113			

LME Steel Scrap						
	Price	Month Change (%)	Monthly Volume (lots)	Open Interest end of month	Open interest (lots)	
Oct-16	\$223.40	9.0%	563	Expired		
Nov-16	\$250.00	22.0%	120	550	Nov-16	550
Dec-16	\$251.00	20.1%	3951	1,355	Dec-16	1,355
Jan-17	\$250.50	18.7%	4316	995	Jan-17	995
Feb-17	\$245.00	17.2%	3688	251	Feb-17	251
Mar-17	\$245.00	15.6%	876	251	Mar-17	251
Apr-17	\$242.00	14.2%	802	191	Apr-17	191
May-17	\$241.50	13.9%	0	50	May-17	50
Jun-17	\$241.50	13.9%	300	150	Jun-17	150
Jul-17	\$241.50	13.9%	300	100	Jul-17	100
Aug-17	\$241.50	13.9%	300	100	Aug-17	100
Sep-17	\$241.50	13.9%	0	0	Sep-17	0
Oct-17	\$241.50	13.9%	0	0	Oct-17	0
Nov-17	\$241.50	13.9%	0	0	Nov-17	0
Aggregate:			14,631	3993		
Number of trades:			494			

Rebar Average Bid-Ask Spread \$/mt, Size in lots					
	Prompt Month			Avg Bid Size	Avg Ask Size
	Oct	Nov	Dec	(lots)	(lots)
3-Oct	9.3	9.4	9.8	5.2	5.0
4-Oct	9.7	9.4	9.3	4.5	5.0
5-Oct	8.8	9.0	9.9	4.5	5.7
6-Oct	9.7	9.3	9.3	4.0	3.4
7-Oct	9.8	9.2	8.6	3.6	3.7
10-Oct	11.9	8.9	7.9	4.0	2.9
11-Oct	9.6	9.5	8.5	4.3	3.2
12-Oct	9.6	8.7	8.8	3.9	2.9
13-Oct	9.7	9.3	9.3	4.9	4.6
14-Oct	9.4	9.5	9.5	4.9	4.4
17-Oct	9.5	9.0	9.3	5.7	5.9
18-Oct	9.5	10.4	7.2	4.3	5.1
19-Oct	9.6	8.9	8.5	5.8	5.1
20-Oct	9.8	8.3	8.9	4.2	3.5
21-Oct	9.5	9.3	9.3	5.0	4.0
24-Oct	9.7	9.3	9.1	6.5	5.0
25-Oct	10.0	9.9	9.8	3.6	3.6
26-Oct	9.8	9.8	9.5	3.6	3.7
27-Oct	9.5	8.3	8.3	4.6	3.6
28-Oct	9.5	8.9	9.4	4.8	4.1
31-Oct	10.0	9.2	9.4	6.8	6.0
Oct Average	9.7	9.2	8.8	4.5	4.1
Sept Average	9.2	9.0	9.1	4.9	4.8
MoM change	0.5	0.2	-0.3	-0.4	-0.8

Scrap Average Bid-Ask Spread \$/mt, Size in lots					
	Prompt Month			Avg Bid Size	Avg Ask Size
	Oct	Nov	Dec	(lots)	(lots)
3-Oct	9.5	9.3	8.8	4.1	3.9
4-Oct	8.3	8.9	8.0	7.8	3.6
5-Oct	8.7	8.7	9.0	8.9	3.1
6-Oct	8.9	8.4	8.1	3.1	2.8
7-Oct	9.0	8.7	9.3	3.6	3.3
10-Oct	9.0	9.3	9.3	5.5	5.2
11-Oct	9.6	8.3	8.4	5.3	2.3
12-Oct	9.7	8.1	8.0	3.4	2.7
13-Oct	9.6	9.3	9.3	12.6	7.0
14-Oct	9.6	8.5	8.1	8.1	3.5
17-Oct	9.6	9.4	9.3	10.5	5.4
18-Oct	9.5	9.7	9.2	8.4	3.9
19-Oct	9.8	9.5	9.3	8.0	4.8
20-Oct	9.5	9.5	8.7	4.2	4.9
21-Oct	9.8	9.5	9.5	9.6	8.8
24-Oct	9.6	9.1	8.7	6.6	4.8
25-Oct	10.0	9.5	9.5	11.0	8.4
26-Oct	9.7	9.4	9.2	10.7	6.0
27-Oct	9.4	9.4	8.5	2.6	1.0
28-Oct	8.7	8.2	8.5	5.0	4.7
31-Oct	10.0	9.6	9.3	5.6	4.1
Oct Average	9.2	8.9	8.8	5.6	3.9
Sept Average	9.5	9.3	9.1	5.2	4.6
MoM change	-0.3	-0.3	-0.4	0.4	-0.7

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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