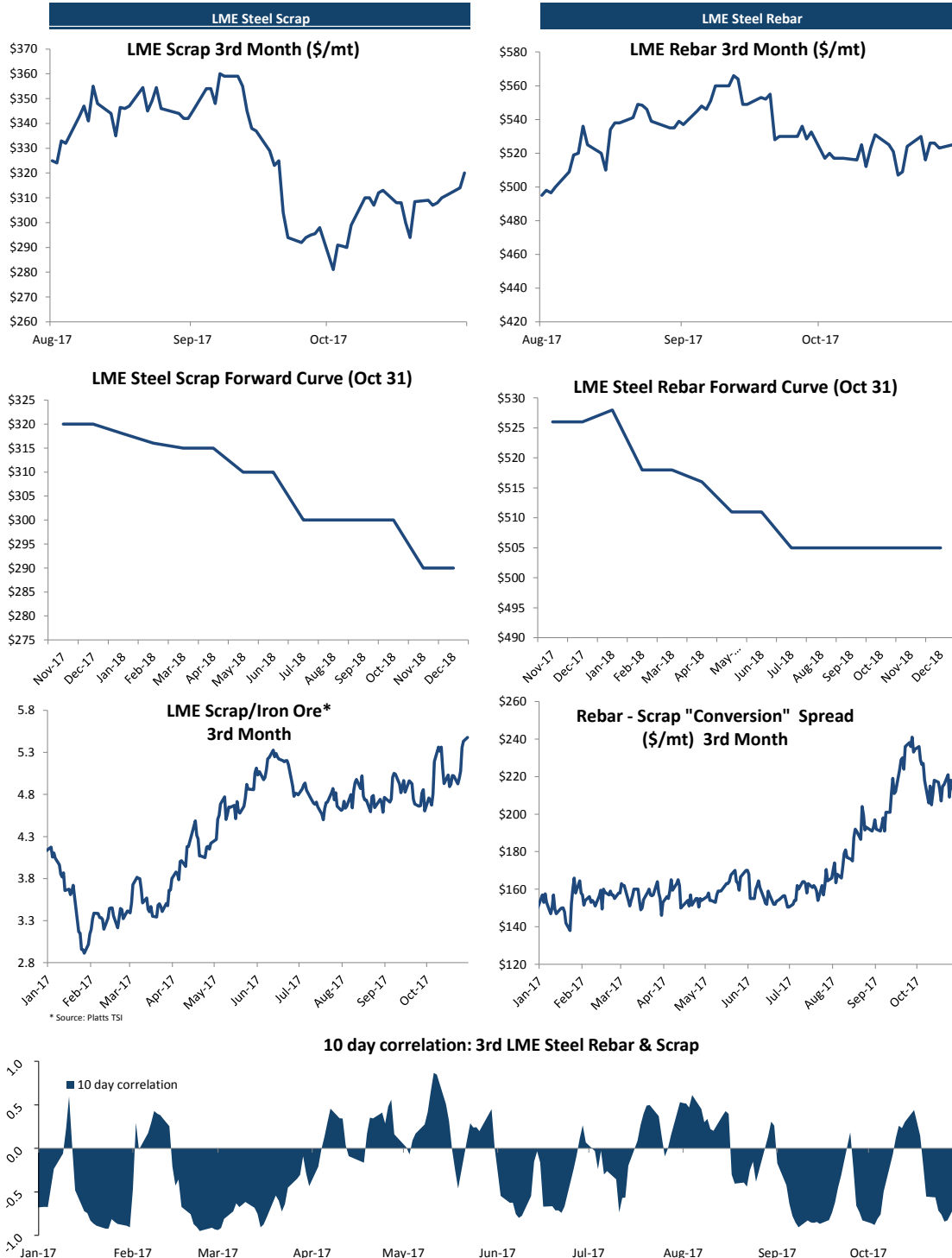


Comments:

On Tuesday 31 October 2017, the LME Steel Scrap and LME Steel Rebar October contracts settled at **\$304.55/mt** and **\$515.90/mt** respectively. This constitutes a monthly increase of 1.3% for scrap and a decrease of 2.7% for rebar.

The LME Steel Scrap contract curve recorded an upward shift during October. In particular, the January 2018, April 2018, May 2018 and June 2018 prompts showed double digit percentage growth, sharpening the backwardation observed last month. The LME Steel Rebar forward curve is in backwardation and shifted downwards compared to the previous month. The forward curve flattens in H2 2018 at the price of \$505.00/mt.

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) decreased by 12.71% to close at \$206.00/mt, which is above the 6-month running average of \$182.37/mt.



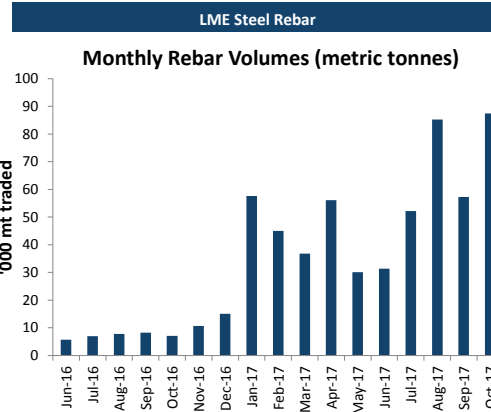
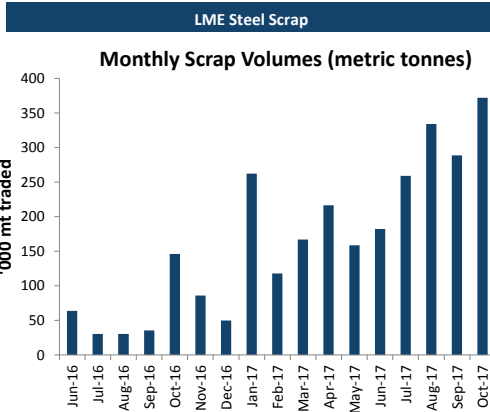
* Source: Platts TSI

Source: Bloomberg LP, Platts TSI, LME

Comments:

LME Steel Scrap traded the equivalent of 372,140 metric tonnes last month. On 13 and 16 October, 71,290 tonnes and 62,970 tonnes of scrap were traded respectively. LME Steel Rebar traded 87,490 tonnes. Both figures represent the highest monthly volume recorded since launch.

The LME Steel Scrap open interest peaked at 53,270 tonnes, averaging 52,172 tonnes over the last full trading week in October. LME Steel Rebar open interest peaked at 19,730 tonnes and averaged 19,074 tonnes in the last full trading week in October. End of month drops in open interest tend to be observed as positions in the front month expire; scrap open interest dropped 14,510 tonnes at the end of October to 37,230 tonnes, while rebar dropped 4,630 tonnes to 15,100 tonnes.



LME Steel Scrap					
	Price	Month Change (%)	Monthly Volume (lots)	Open Interest EOM (lots)	Open Interest (lots)
Oct-17	\$304.55	1.3%	6,608	Expired	0
Nov-17	\$320.00	7.4%	16,138	1,715	1,715
Dec-17	\$320.00	8.5%	8,252	768	768
Jan-18	\$318.00	10.4%	3,373	230	230
Feb-18	\$316.00	9.7%	911	172	172
Mar-18	\$315.00	7.9%	918	75	75
Apr-18	\$315.00	11.1%	330	152	152
May-18	\$310.00	10.7%	242	165	165
Jun-18	\$310.00	10.7%	19	106	106
Jul-18	\$300.00	7.1%	79	125	125
Aug-18	\$300.00	7.1%	77	123	123
Sep-18	\$300.00	7.1%	72	25	25
Oct-18	\$300.00	7.1%	66	24	24
Nov-18	\$290.00	3.6%	66	22	22
Dec-18	\$290.00		63	21	21
Aggregate:			37,214	3,723	

LME Steel Rebar					
	Price	Month Change (%)	Monthly Volume (lots)	Open Interest EOM (lots)	Open Interest (lots)
Oct-17	\$515.90	-2.7%	701	Expired	0
Nov-17	\$526.00	-1.2%	1,990	398	398
Dec-17	\$526.00	-0.6%	1,984	303	303
Jan-18	\$528.00	0.2%	1,251	135	135
Feb-18	\$518.00	-2.1%	1,733	427	427
Mar-18	\$518.00	-1.8%	679	95	95
Apr-18	\$516.00	-2.3%	204	104	104
May-18	\$511.00	-2.0%	193	34	34
Jun-18	\$511.00	-2.0%	9	7	7
Jul-18	\$505.00	-3.2%	3	2	2
Aug-18	\$505.00	-3.2%	2	2	2
Sep-18	\$505.00	-3.2%	0	2	2
Oct-18	\$505.00	-1.9%	0	1	1
Nov-18	\$505.00	-1.9%	0	0	0
Dec-18	\$505.00		0	0	0
Aggregate:			8,749	1,510	

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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