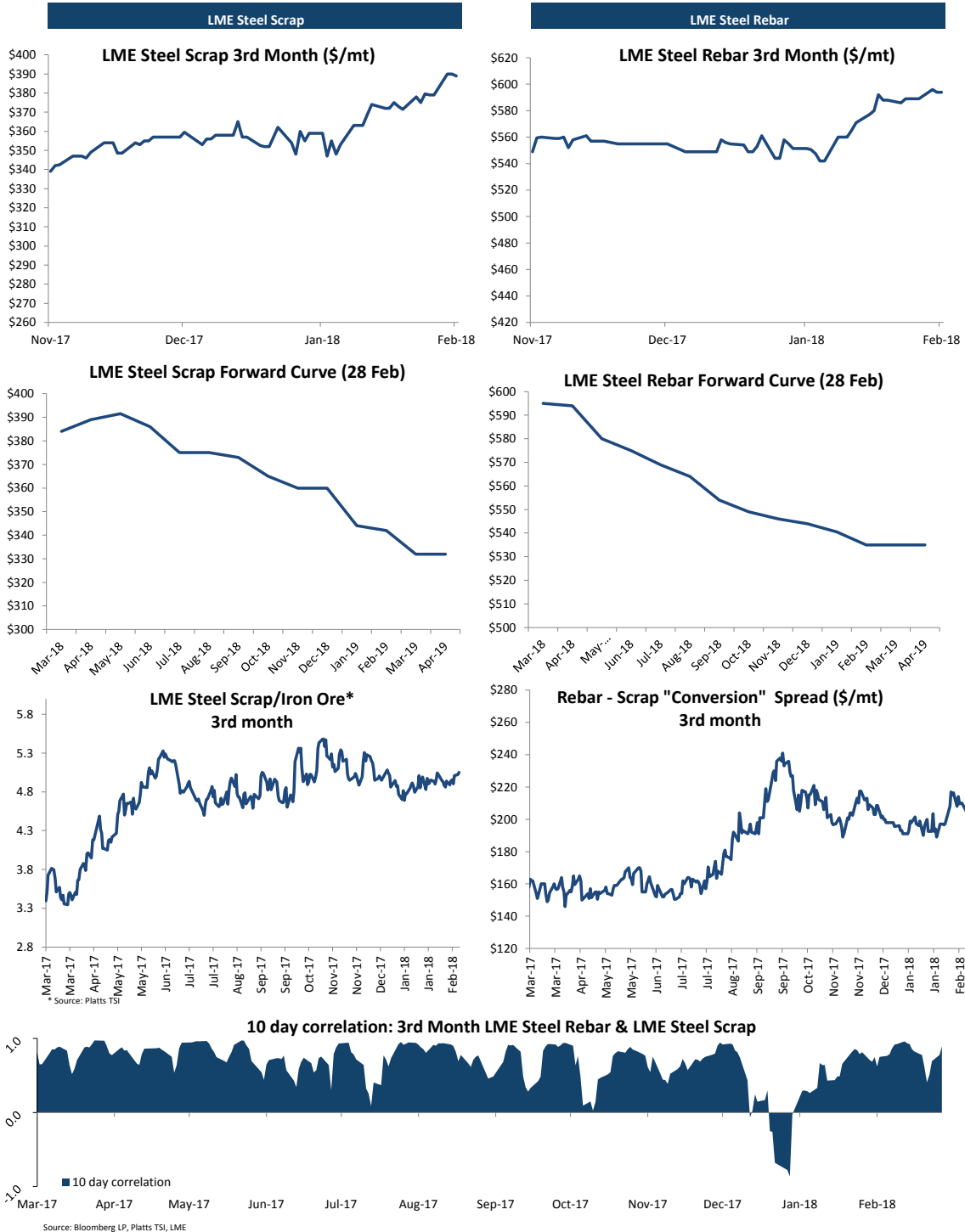


Comments:

On Wednesday 28 February 2018, the LME Steel Scrap and LME Steel Rebar February contracts settled at \$353.00/mt and \$567.48/mt respectively. This constitutes a month-on-month increase of 1.7% for scrap of 3.7% for rebar.

Both the LME Steel Scrap and LME Steel Rebar forward curves closed higher in February compared with the end of January. The LME Steel Scrap curve shifted upwards by c. 10% to 15% across most prompts, while the LME Steel Rebar curve showed less marked increases of c. 5% to 7%. Both curves showed a strong contango of c.\$30 between February and March, but as February expired the rest of the curves showed steady 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) peaked at \$217 in mid-February to then close at \$204/mt, which is below the 6-month running average of \$206.66/mt.

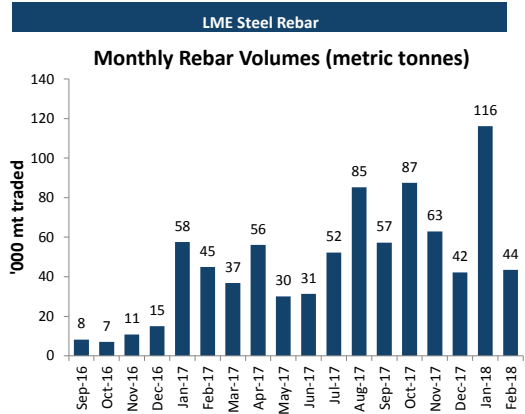
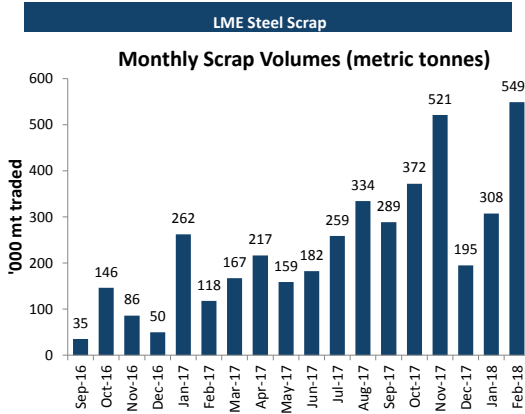


Source: Bloomberg LP, Platt's TSI, LME

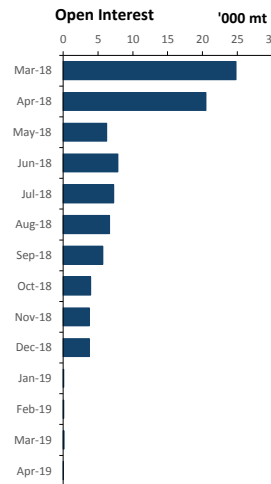
Comments:

LME Steel Scrap traded the equivalent of 548,830 metric tonnes last month, the best month on record since the launch of the contract. LME Steel Rebar traded 43,530 metric tonnes, a significant slowdown on January, but in line with performance in previous months.

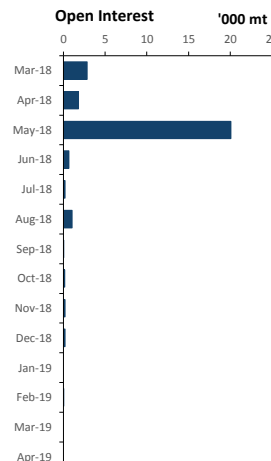
Open interest peaked at the end of the month for both LME Steel Scrap and LME Steel Rebar, with 106,770 tonnes for scrap and 28,130 tonnes for rebar on 27 and 26 February respectively. End of month drops in open interest tend to be observed as positions in the front month expire; scrap open interest dropped 15,910 tonnes at the end of February to 90,860 tonnes, while rebar dropped 750 tonnes to 27,370 tonnes.



LME Steel Scrap (metric tonnes)				
	Price	Month Change (%)	Monthly Volume	Open Interest EOM
Feb-18	\$353.00	1.7%	93,720	Expired
Mar-18	\$384.00	8.2%	155,840	24,820
Apr-18	\$389.00	10.8%	86,260	20,510
May-18	\$391.50	12.2%	74,760	6,240
Jun-18	\$386.00	12.9%	52,090	7,850
Jul-18	\$375.00	15.7%	21,970	7,240
Aug-18	\$375.00	16.5%	20,720	6,680
Sep-18	\$373.00	16.6%	16,220	5,710
Oct-18	\$365.00	14.4%	10,090	3,960
Nov-18	\$360.00	13.6%	8,490	3,760
Dec-18	\$360.00	13.6%	8,400	3,770
Jan-19	\$344.00	9.2%	90	80
Feb-19	\$342.00	9.6%	30	80
Mar-19	\$332.00	6.4%	60	130
Apr-19	\$332.00		90	30
			Aggregate: 548,830	90,860



LME Steel Rebar (metric tonnes)				
	Price	Month Change (%)	Monthly Volume	Open Interest EOM
Feb-18	\$567.48	3.7%	4,140	Expired
Mar-18	\$595.00	8.7%	9,510	2,850
Apr-18	\$594.00	8.4%	7,100	1,820
May-18	\$580.00	6.6%	5,110	20,080
Jun-18	\$575.00	6.5%	4,720	650
Jul-18	\$569.00	7.8%	3,230	190
Aug-18	\$564.00	6.6%	5,940	1,060
Sep-18	\$554.00	5.3%	270	60
Oct-18	\$549.00	5.8%	1,020	180
Nov-18	\$546.00	5.6%	960	190
Dec-18	\$544.00	5.2%	930	200
Jan-19	\$540.50	5.4%	180	30
Feb-19	\$535.00	4.3%	180	50
Mar-19	\$535.00	4.3%	150	10
Apr-19	\$535.00		90	0
			Aggregate: 43,530	27,370



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 CFR Turkey" assessment, 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 Steel Rebar FOB Turkey" assessment, 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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