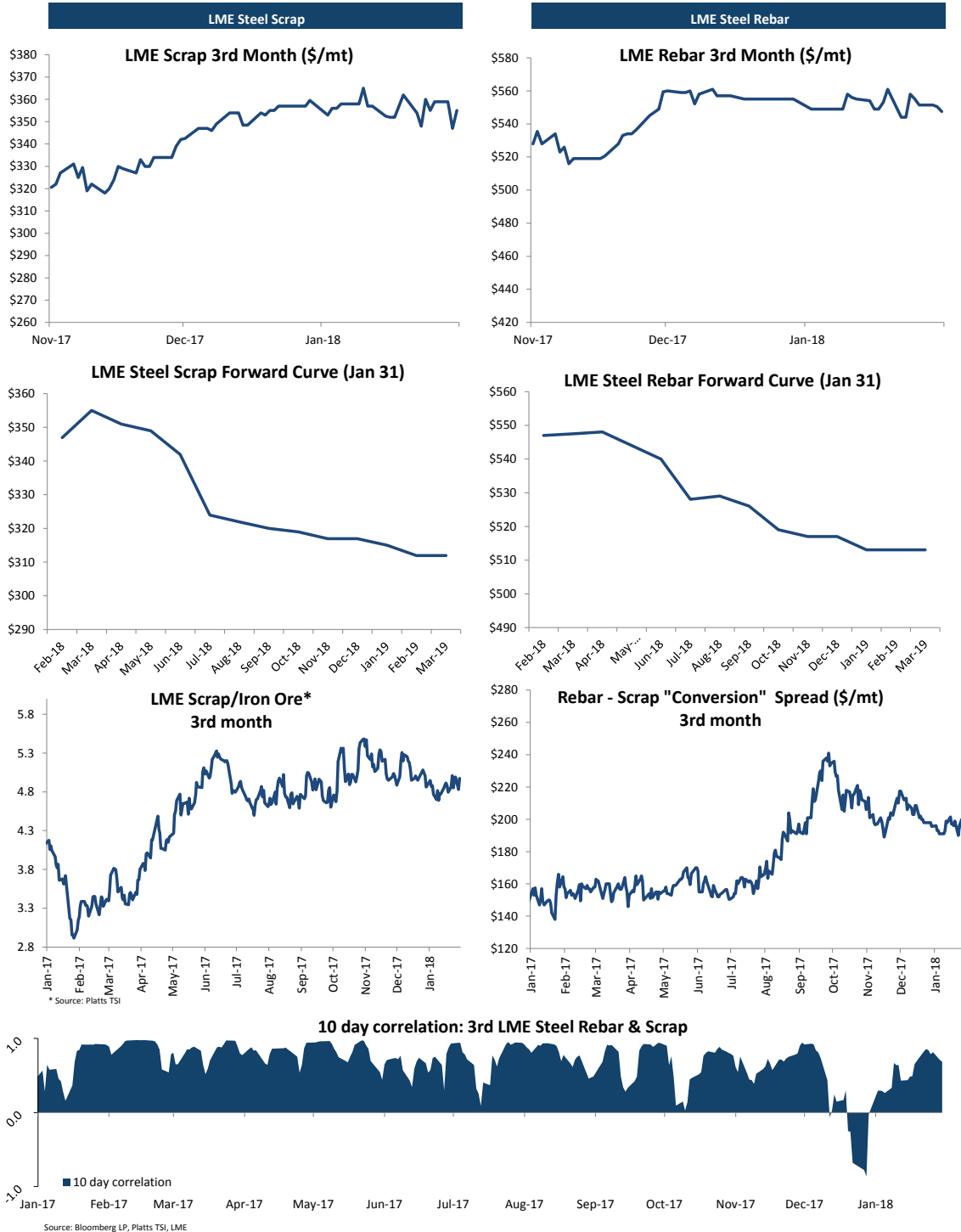


Comments:

On Wednesday 31 January 2018, the LME Steel Scrap and LME Steel Rebar January contracts settled at \$364.11/mt and \$564.80/mt respectively. This constitutes a month-on-month decrease of -0.8% for scrap and an increase of 1.0% for rebar.

In January both the LME Steel Scrap and LME Steel Rebar forward curves, despite showing small gains in the mid-section of the curve, closed lower compared with the end of December. Both curves remain in a backwardation.

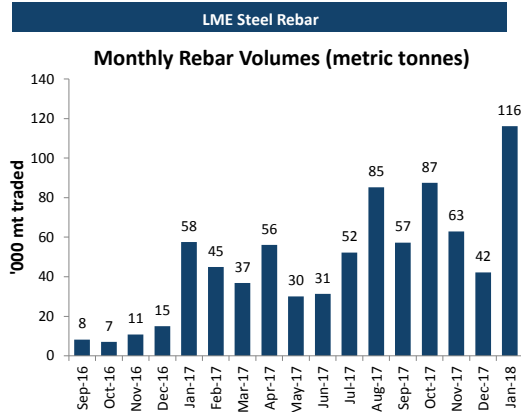
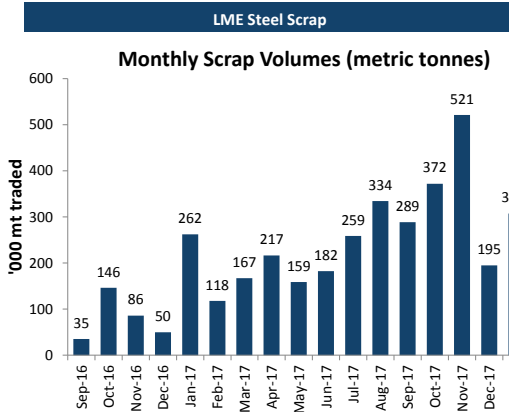
The price of iron ore remained subdued compared to the price of scrap, with the ratio between the two remaining quite consistently towards the upper end of its 2017 range. The "apparent conversion" spread (i.e. LME Steel Rebar - LME Steel Scrap) remained quite stable in January to close at \$192.50/mt, which is below the 6-month running average of \$202.90/mt.



Comments:

LME Steel Scrap traded the equivalent of 307,660 metric tonnes last month, a considerable recovery from the slowdown in volumes experienced in December. LME Steel Rebar traded 116,120 tonnes, by far the best month on record for rebar.

The LME Steel Scrap and LME Steel Rebar open interest both peaked at the end of the month, with 55,760 tonnes for scrap and 26,910 tonnes for rebar on 29 and 30 January respectively. LME Steel Scrap and LME Steel Rebar open interest averaged 51,470 tonnes and 15,140 tonnes respectively in the last five trading days of the month. End of month drops in open interest tend to be observed as positions in the front month expire; scrap open interest dropped 8,540 tonnes at the end of January to 47,030 tonnes, while rebar dropped 1,740 tonnes to 25,170 tonnes.



LME Steel Scrap					
	Price	Month Change (%)	Monthly Volume (lots)	Open Interest EOM (lots)	Open Interest (lots)
Jan-18	\$364.11	-0.8%	3,568	Expired	
Feb-18	\$347.00	-3.5%	8,057	994	
Mar-18	\$355.00	0.3%	6,039	809	
Apr-18	\$351.00	1.4%	5,156	1,114	
May-18	\$349.00	1.2%	2,531	327	
Jun-18	\$342.00	0.9%	1,748	415	
Jul-18	\$324.00	-3.6%	1,213	275	
Aug-18	\$322.00	-3.9%	621	202	
Sep-18	\$320.00	-3.0%	723	140	
Oct-18	\$319.00	-3.3%	360	144	
Nov-18	\$317.00	-2.5%	336	130	
Dec-18	\$317.00	-2.5%	330	125	
Jan-19	\$315.00	-3.1%	21	8	
Feb-19	\$312.00	-2.5%	24	8	
Mar-19	\$312.00		39	12	
Aggregate:			30,766	4,703	

LME Steel Rebar					
	Price	Month Change (%)	Monthly Volume (lots)	Open Interest EOM (lots)	Open Interest (lots)
Jan-18	\$564.80	1.0%	545	Expired	
Feb-18	\$547.00	-1.4%	1,910	107	
Mar-18	\$547.50	-0.3%	588	124	
Apr-18	\$548.00	1.3%	626	146	
May-18	\$544.00	0.6%	6,725	2,010	
Jun-18	\$540.00	0.7%	483	68	
Jul-18	\$528.00	-1.6%	489	29	
Aug-18	\$529.00	-1.4%	60	11	
Sep-18	\$526.00	-2.0%	42	6	
Oct-18	\$519.00	-3.0%	51	7	
Nov-18	\$517.00	-2.5%	33	2	
Dec-18	\$517.00	-2.5%	39	4	
Jan-19	\$513.00	-3.2%	12	1	
Feb-19	\$513.00	-2.3%	9	2	
Mar-19	\$513.00		0	0	
Aggregate:			11,612	2,517	

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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