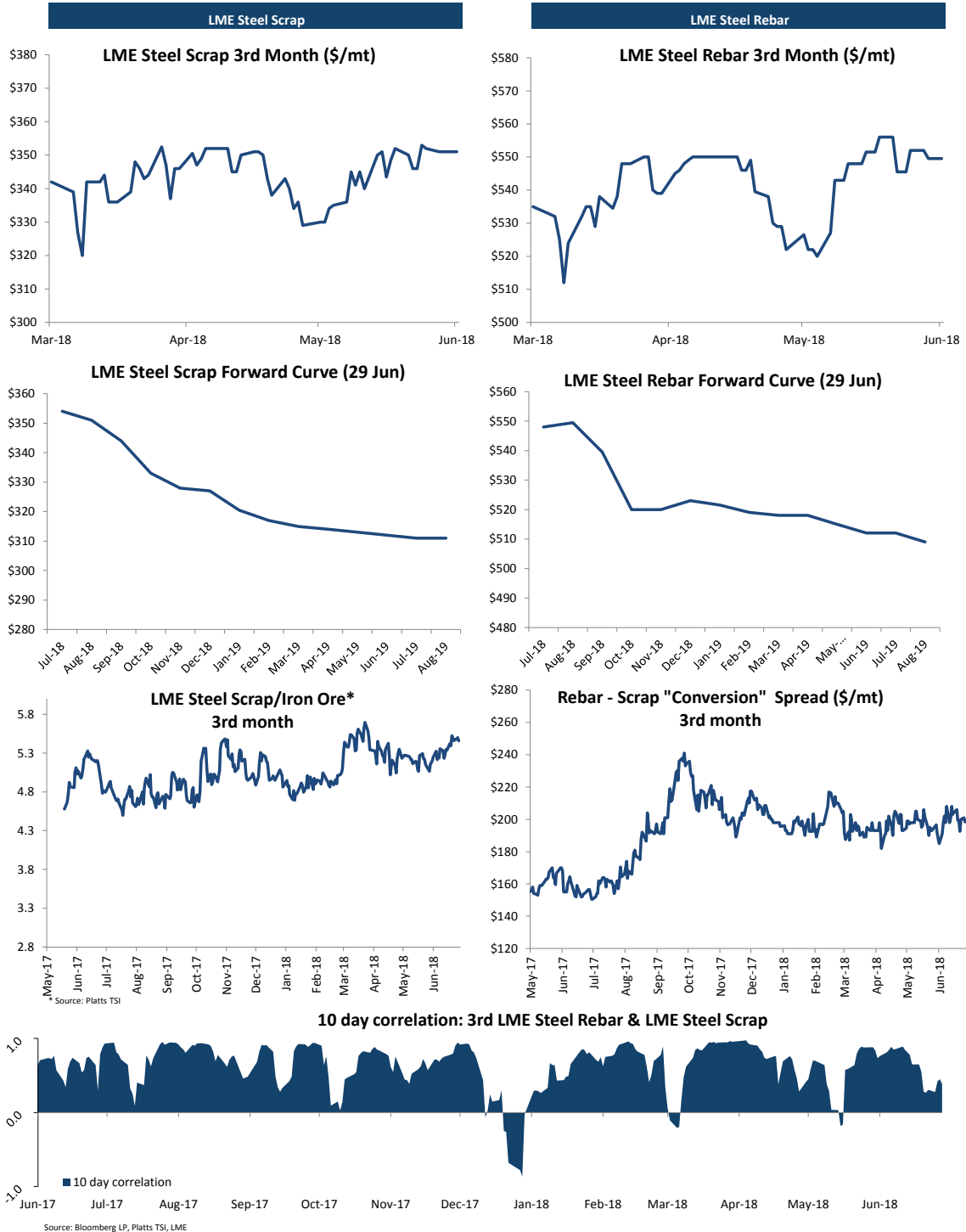


Comments:

On Friday 29 June 2018, the LME Steel Scrap and LME Steel Rebar June contracts settled at \$347.62/mt and \$548.17/mt respectively. This constitutes a month-on-month change of +2.8% for scrap and of +3.4% for rebar.

In June 2018, both the LME Steel Scrap and LME Steel Rebar forward curves shifted upwards compared to the end of May. The first third of the LME Steel Scrap curve shifted upwards by c.6-7% for Q318 prompts, while gains in later prompts were more modest. The LME Steel Rebar curve also showed increases of c.4-7% for the earlier prompts. Both curves showed a steady backwardation.

The "scrap/iron ore" ratio has shown signs of strengthening in the last quarter, with a modest increase on its running 12-month average. The "apparent conversion" spread (i.e. LME Steel Rebar - LME Steel Scrap) consistently remained within its running 9-month average trading range, possibly suggesting that a new relative equilibrium may have been reached between input and outputs in the long steel market.

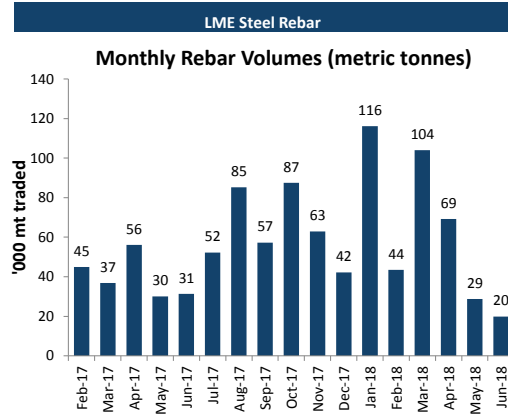
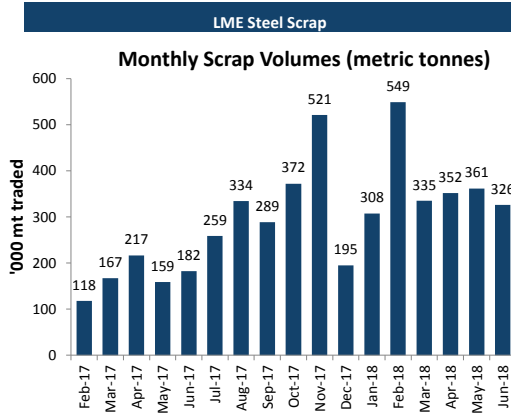


Comments:

LME Steel Scrap traded the equivalent of 326,240 metric tonnes last month, in line with the average of the past six months. Scrap volumes for H1 2018 were more than double those recorded in the same period last year.

LME Steel Rebar traded 19,880 metric tonnes, in line with the volume traded in May.

Both contracts continue showing open interest along the entire forward curve, with positions open up to over one year forward. The presence of open interest on further dated prompts often suggests that the financial derivatives have been used to hedge physical exposure to the underlying commodity.



LME Steel Scrap (metric tonnes)					
	Price	Month Change (%)	Monthly Volume	Open Interest EOM	Open Interest '000 mt
Jun-18	\$347.62	2.8%	25,820	Expired	18,840
Jul-18	\$354.00	6.0%	100,930	18,840	8,750
Aug-18	\$351.00	6.7%	100,940	8,750	12,520
Sep-18	\$344.00	7.3%	43,790	12,520	6,720
Oct-18	\$333.00	6.2%	10,380	6,720	6,150
Nov-18	\$328.00	4.1%	3,500	6,150	6,480
Dec-18	\$327.00	3.8%	2,630	6,480	5,190
Jan-19	\$320.50	3.4%	1,410	5,190	6,010
Feb-19	\$317.00	2.6%	3,300	6,010	4,880
Mar-19	\$315.00	1.3%	1,020	4,880	4,460
Apr-19	\$314.00	0.6%	9,630	4,460	4,480
May-19	\$313.00	0.3%	9,510	4,480	4,210
Jun-19	\$312.00	0.0%	3,330	4,210	1,710
Jul-19	\$311.00	0.3%	5,070	1,710	1,660
Aug-19	\$311.00		4,980	1,660	
Aggregate:			326,240	92,060	

LME Steel Rebar (metric tonnes)					
	Price	Month Change (%)	Monthly Volume	Open Interest EOM	Open Interest '000 mt
Jun-18	\$548.17	3.4%	2,480	Expired	1,210
Jul-18	\$548.00	5.0%	4,800	1,210	2,050
Aug-18	\$549.50	6.7%	2,850	2,050	1,250
Sep-18	\$539.50	4.8%	1,770	1,250	390
Oct-18	\$520.00	0.6%	3,480	390	450
Nov-18	\$520.00	2.2%	2,280	450	290
Dec-18	\$523.00	3.2%	930	290	80
Jan-19	\$521.50	3.3%	270	80	110
Feb-19	\$519.00	3.4%	270	110	70
Mar-19	\$518.00	3.6%	210	70	30
Apr-19	\$518.00	3.6%	120	30	10
May-19	\$515.00	3.0%	180	10	20
Jun-19	\$512.00	2.4%	150	20	30
Jul-19	\$512.00	2.4%	90	30	0
Aug-19	\$509.00		0	0	
Aggregate:			19,880	5,990	

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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