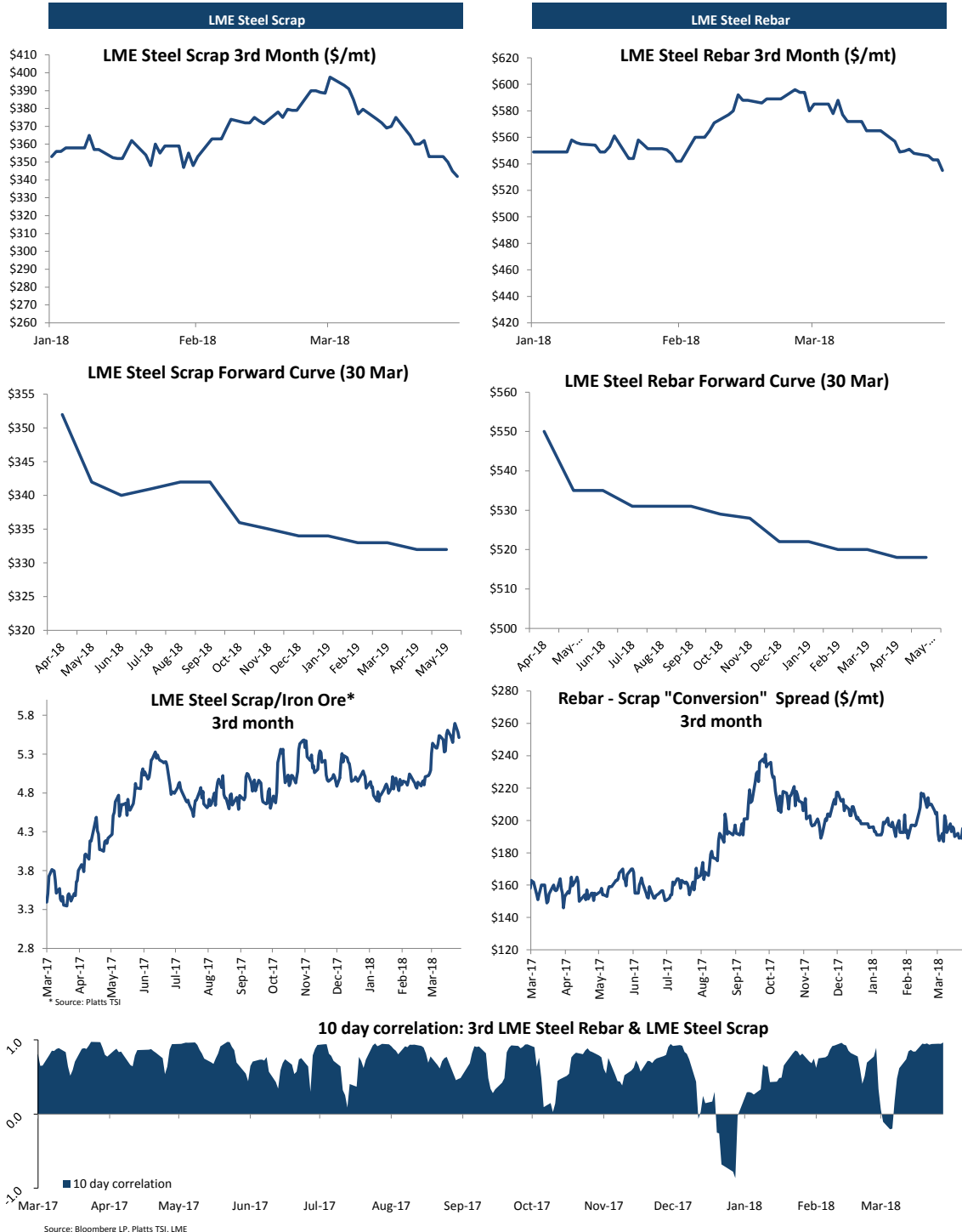


Comments:

On Thursday 29 March 2018, the LME Steel Scrap and LME Steel Rebar February contracts settled at \$372.00/mt and \$583.5/mt respectively. This constitutes a month-on-month decline of -3.1% for scrap of -1.8% for rebar.

In March, both the LME Steel Scrap and LME Steel Rebar forward curves shifted downwards compared to the end of February. The LME Steel Scrap curve shifted downwards by c. 7% to 12% across 2018 prompts, while the LME Steel Rebar curve showed less marked decreases of c.3% to 8%. Both curves showed a steady backwardation.

The price of iron ore showed relative weakness compared to the price of scrap, with the ratio between the two reaching new peaks, as high as 5.7x. The "apparent conversion" spread (i.e. LME Steel Rebar - LME Steel Scrap) remained consistently around its running 12-month average.



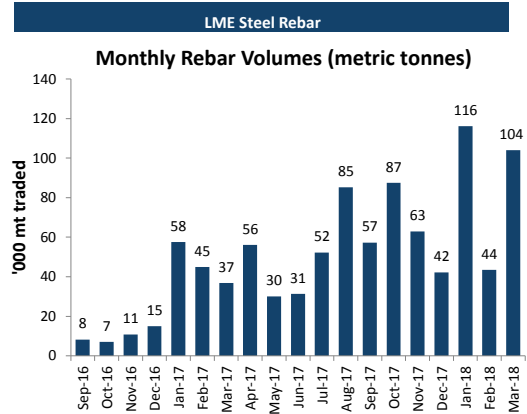
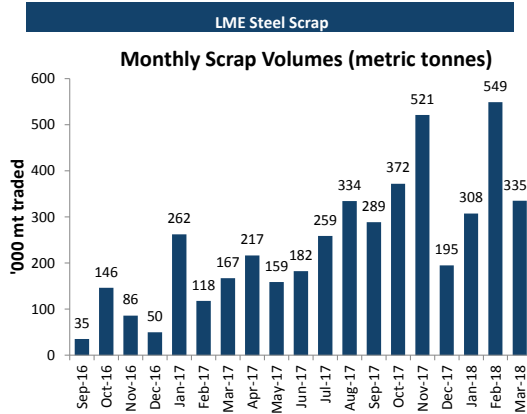
Source: Bloomberg LP, Platts TSI, LME

Comments:

LME Steel Scrap traded the equivalent of 335,160 metric tonnes last month, in line with the average of the past six months. LME Steel Rebar traded 104,060 metric tonnes, the second best month on record since the launch of the contract.

During the month of March, open interest peaked for both LME Steel Rebar and LME Steel Scrap with 30,030 tonnes for scrap and 124,790 tonnes for rebar on 5 and 28 March respectively. Rebar's open interest dropped to c.10,000 tonnes on 6 March, the likely inference is that this was due to a major position being closed out on the previous day.

End of month drops in open interest tend to be observed as positions in the front month expire: scrap open interest dropped 27,940 tonnes at the end of March to 96,850 tonnes, while rebar dropped 4,110 tonnes to 7,970 tonnes.



LME Steel Scrap (metric tonnes)					
	Price	Month Change (%)	Monthly Volume	Open Interest EOM	Open Interest '000 mt
Mar-18	\$372.00	-3.1%	20,260	Expired	0
Apr-18	\$352.00	-9.5%	189,920	30,870	30
May-18	\$342.00	-12.6%	63,280	19,120	25
Jun-18	\$340.00	-11.9%	24,030	10,190	15
Jul-18	\$341.00	-9.1%	11,420	8,190	12
Aug-18	\$342.00	-8.8%	8,930	7,540	10
Sep-18	\$342.00	-8.3%	8,720	7,030	10
Oct-18	\$336.00	-7.9%	3,210	4,700	8
Nov-18	\$335.00	-6.9%	2,560	4,400	7
Dec-18	\$334.00	-7.2%	2,260	4,380	7
Jan-19	\$334.00	-2.9%	340	150	5
Feb-19	\$333.00	-2.6%	110	100	4
Mar-19	\$333.00	0.3%	30	130	4
Apr-19	\$332.00	0.0%	60	40	3
May-19	\$332.00		30	10	2
Aggregate:			335,160	96,850	

LME Steel Rebar (metric tonnes)					
	Price	Month Change (%)	Monthly Volume	Open Interest EOM	Open Interest '000 mt
Mar-18	\$583.50	-1.8%	10,230	Expired	0
Apr-18	\$550.00	-7.4%	5,590	2,410	2.5
May-18	\$535.00	-7.8%	67,330	460	1.5
Jun-18	\$535.00	-7.0%	4,380	730	1.2
Jul-18	\$531.00	-6.7%	4,480	450	1.0
Aug-18	\$531.00	-5.9%	5,050	1,660	1.8
Sep-18	\$531.00	-4.2%	4,790	1,200	1.5
Oct-18	\$529.00	-3.6%	1,090	390	0.8
Nov-18	\$528.00	-3.3%	340	190	0.5
Dec-18	\$522.00	-4.0%	140	190	0.5
Jan-19	\$522.00	-3.4%	220	40	0.2
Feb-19	\$520.00	-2.8%	160	50	0.2
Mar-19	\$520.00	-2.8%	110	10	0.1
Apr-19	\$518.00	-3.2%	60	20	0.1
May-19	\$518.00		90	20	0.1
Aggregate:			104,060	7,820	

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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