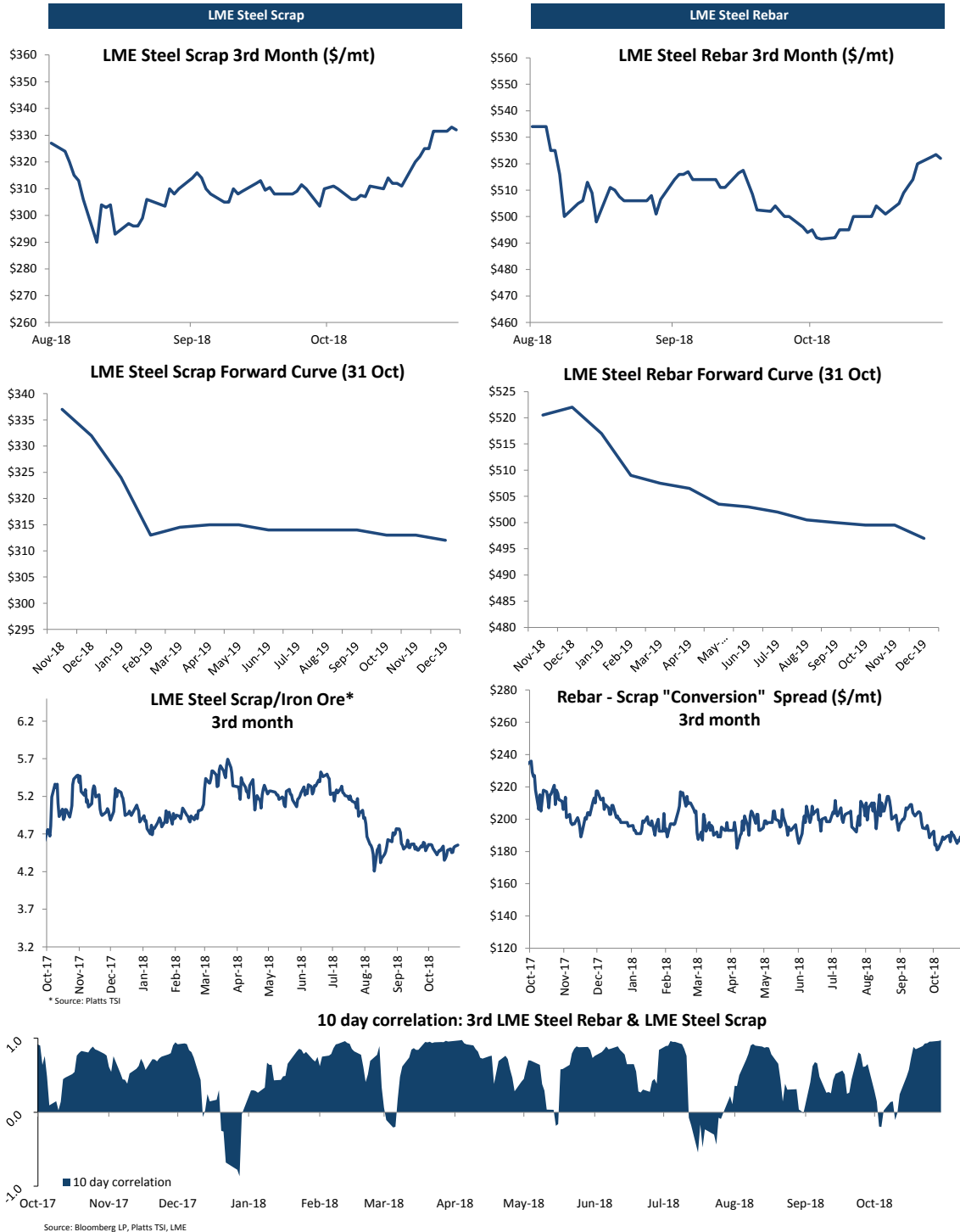


Comments:

On Wednesday 31 October 2018, the last trading day of the month, the LME Steel Scrap and LME Steel Rebar October contracts settled at \$329.72/mt and \$498.98/mt respectively. This constitutes a month-on-month change of +4% for scrap and of -1% for rebar.

In September 2018, both the LME Steel Scrap and LME Steel Rebar forward curves shifted upwards while remaining in a backwardation.

The scrap/iron ore ratio didn't see any major moves over the month and remained towards the lower end of its 2018 trading range. The apparent conversion spread (i.e. LME Steel Rebar - LME Steel Scrap) consistently remained within its running 12-month average trading range, possibly suggesting that a new relative equilibrium may have been reached between input and outputs in the long steel market.

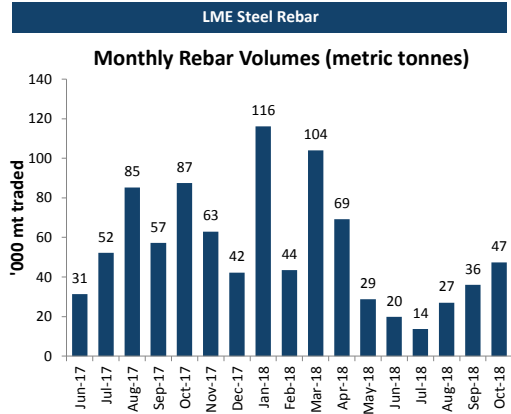
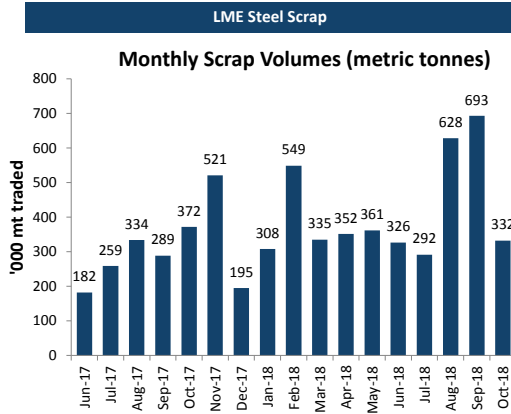


Comments:

LME Steel Scrap traded 332,110 metric tonnes last month, a slowdown on recent months, but still aligned with the average volumes recorded during the summer months.

With 47,310 tonnes traded, LME Steel Rebar's volumes continued showing signs of recovery compared with the summer months.

Both contracts continue to show open interest along the entire forward curve, with positions open up to 15 months 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. The scrap contract shows concentrations of open interest on the Dec-18 prompt.



LME Steel Scrap (metric tonnes)					
	Price	Month Change (%)	Monthly Volume	Open Interest EOM	Open Interest '000 mt
Oct-18	\$329.72	4.0%	18,860	Expired	0
Nov-18	\$337.00	8.7%	110,740	18,700	18
Dec-18	\$332.00	9.2%	126,960	51,170	51
Jan-19	\$324.00	6.6%	47,630	5,440	5
Feb-19	\$313.00	2.6%	14,270	14,680	14
Mar-19	\$314.50	3.8%	4,990	5,850	5
Apr-19	\$315.00	4.3%	2,330	5,520	2
May-19	\$315.00	4.7%	410	6,300	3
Jun-19	\$314.00	4.3%	190	5,870	2
Jul-19	\$314.00	4.5%	1,770	3,040	1
Aug-19	\$314.00	4.7%	1,740	3,030	1
Sep-19	\$314.00	4.7%	1,740	1,360	1
Oct-19	\$313.00	4.3%	150	50	0
Nov-19	\$313.00	4.7%	240	120	0
Dec-19	\$312.00		90	30	0
Aggregate:			332,110	121,160	

LME Steel Rebar (metric tonnes)					
	Price	Month Change (%)	Monthly Volume	Open Interest EOM	Open Interest '000 mt
Oct-18	\$498.98	-1.0%	750	Expired	0
Nov-18	\$520.50	4.1%	30,510	8,620	8
Dec-18	\$522.00	5.5%	5,760	710	0
Jan-19	\$517.00	5.3%	3,600	90	0
Feb-19	\$509.00	3.9%	1,800	360	1
Mar-19	\$507.50	3.6%	2,250	300	1
Apr-19	\$506.50	3.4%	1,470	320	1
May-19	\$503.50	2.8%	360	280	1
Jun-19	\$503.00	2.7%	240	90	1
Jul-19	\$502.00	2.4%	210	70	1
Aug-19	\$500.50	2.1%	210	60	1
Sep-19	\$500.00	2.2%	60	50	1
Oct-19	\$499.50	2.3%	60	60	1
Nov-19	\$499.50	2.6%	30	10	1
Dec-19	\$497.00		0	0	1
Aggregate:			47,310	11,020	

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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