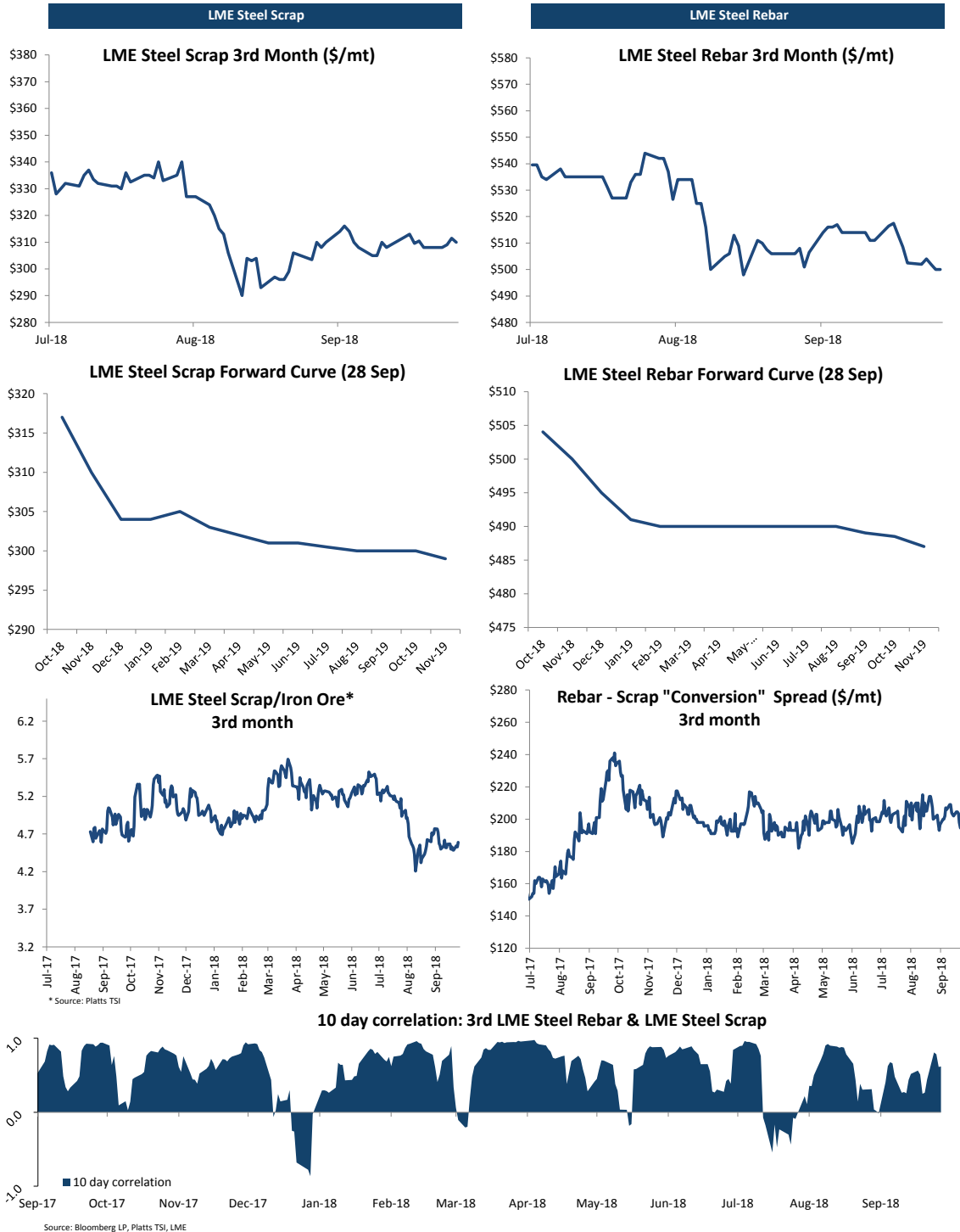


**Comments:**

On Friday 28 September 2018, the last trading day of the month, the LME Steel Scrap and LME Steel Rebar September contracts settled at \$320.40/mt and \$509.23/mt respectively. This constitutes a month-on-month change of +3.4% for scrap and +0.8% for rebar.

During September, the LME Steel Scrap and LME Steel Rebar forward curves shifted downwards with the exception of increases in the front months, thus sharpening the short-term backwardation of the curve compared to the end of August.

The "scrap/iron ore" ratio saw modest recovery from its low point of 4.21 in August, a level that had not been seen since May 2017. 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.

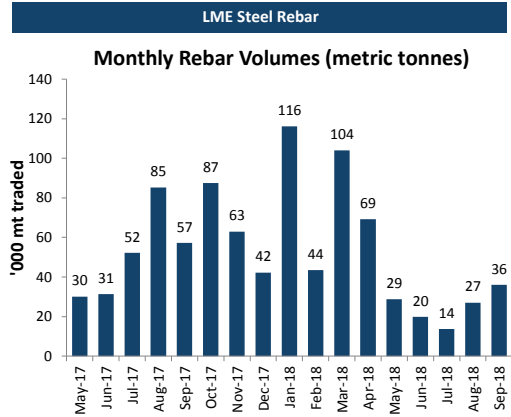
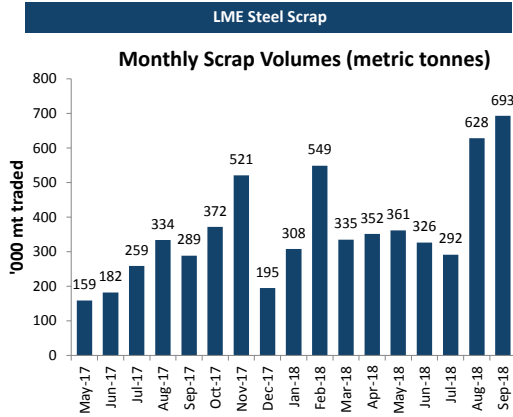


**Comments:**

LME Steel Scrap traded 693,280 metric tonnes last month, the highest monthly volume traded since launch and over 10% increase on the volumes traded in August.

With 36,020 tonnes traded, LME Steel Rebar's volumes also showed signs of recovery compared with recent 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
Sep-18	\$320.40	3.4%	124,160	Expired	0
Oct-18	\$317.00	2.3%	168,290	15,330	15
Nov-18	\$310.00	0.0%	136,680	18,280	18
Dec-18	\$304.00	-1.9%	161,730	43,780	44
Jan-19	\$304.00	-1.9%	31,880	7,810	8
Feb-19	\$305.00	-1.0%	35,230	13,690	14
Mar-19	\$303.00	-1.6%	17,990	5,670	6
Apr-19	\$302.00	-1.9%	2,980	5,560	6
May-19	\$301.00	-2.3%	5,100	6,220	6
Jun-19	\$301.00	-2.3%	3,690	5,840	6
Jul-19	\$300.50	-2.4%	1,380	3,510	4
Aug-19	\$300.00	-2.3%	1,200	3,500	4
Sep-19	\$300.00	-1.6%	1,350	1,860	2
Oct-19	\$300.00	-1.0%	900	80	1
Nov-19	\$299.00		720	160	1
<b>Aggregate:</b>			<b>693,280</b>	<b>131,290</b>	

LME Steel Rebar (metric tonnes)					
	Price	Month Change (%)	Monthly Volume	Open Interest EOM	Open Interest '000 mt
Sep-18	\$509.23	0.8%	1,200	Expired	0
Oct-18	\$504.00	-0.5%	8,420	670	1
Nov-18	\$500.00	-1.6%	18,960	5,930	6
Dec-18	\$495.00	-2.5%	1,740	340	1
Jan-19	\$491.00	-4.1%	1,980	70	0
Feb-19	\$490.00	-3.7%	1,590	120	0
Mar-19	\$490.00	-3.3%	660	160	0
Apr-19	\$490.00	-3.3%	330	210	0
May-19	\$490.00	-2.8%	600	220	0
Jun-19	\$490.00	-2.8%	90	100	0
Jul-19	\$490.00	-2.6%	90	50	0
Aug-19	\$490.00	-2.4%	60	60	0
Sep-19	\$489.00	-2.1%	150	50	0
Oct-19	\$488.50	-1.9%	120	60	0
Nov-19	\$487.00		30	10	0
<b>Aggregate:</b>			<b>36,020</b>	<b>8,050</b>	

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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