

Comments:

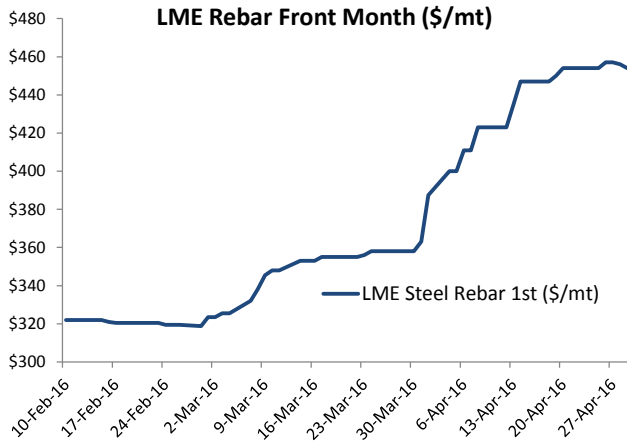
On Friday 29 April, LME Steel Rebar and LME Steel Scrap April contracts settled at **\$45.00/mt** and **\$274.20/mt** respectively, posting monthly increases of 17.6% and 16.7%.

Volatility remained elevated amongst the ferrous complex. Market commentators drew focus to record volumes of both iron ore and rebar contracts on SHFE and DCE exchanges and highlighted that both bourses implemented higher transaction fees to stem speculative activity*. LME Steel Rebar had actually risen less than the SHFE Rebar contract through March with the ratio between the two contracts dropping to the lowest since inception (1.2X LME/SHFE - in USD, Ex-VAT). Through April the ratio recovered to its Feb average (1.4x) as the April LME Steel Rebar contract rose 15.8% in the first two weeks compared to only 7.7% for the expiring SHFE contract.

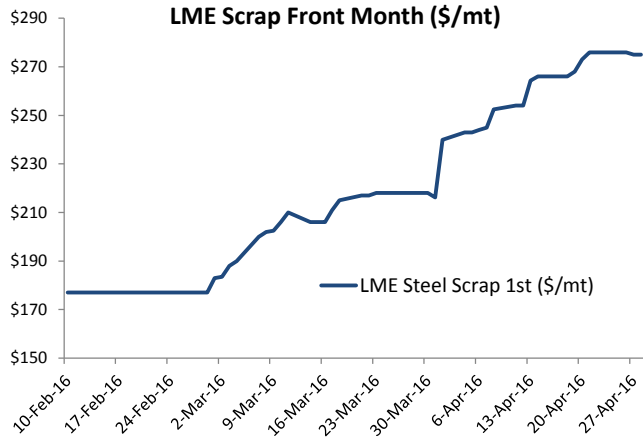
With LME Steel Rebar prices rising more than LME Steel Scrap the apparent conversion spread "Rebar-Scrap" is the lowest since the contracts launched and in fact is even the lowest spread between the underlying indexes since H1 2015.

The rebar forward curve closed in backwardation for a second month, with May expiry at a \$4 premium to July. LME Steel Scrap is also backwardated and prices widened significantly between September and November 2016.

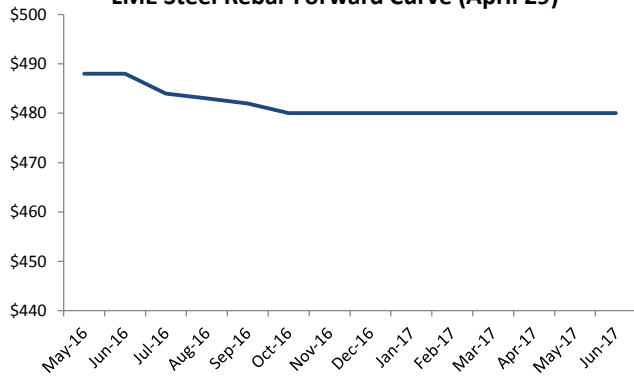
LME Steel Rebar



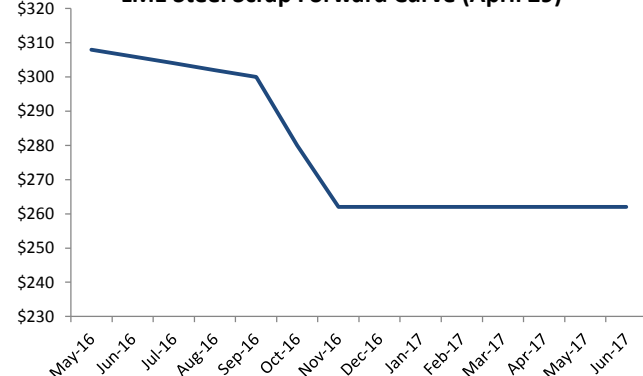
LME Steel Scrap



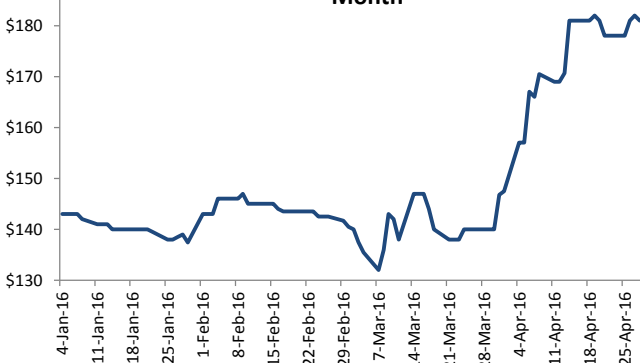
LME Steel Rebar Forward Curve (April 29)



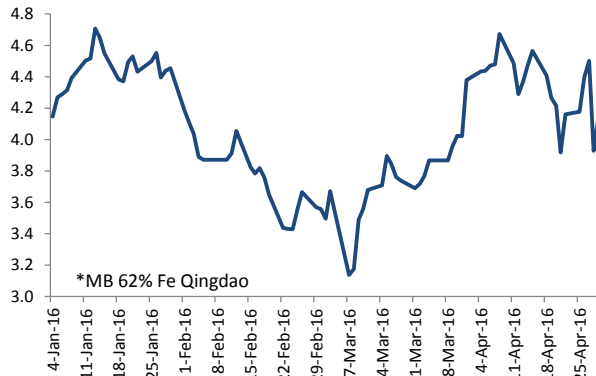
LME Steel Scrap Forward Curve (April 29)



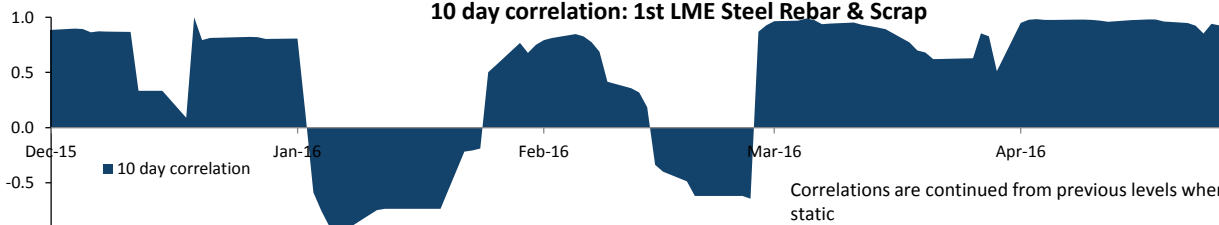
Rebar - Scrap "Conversion" Spread (\$/mt) Front Month



LME Scrap/Iron Ore (\$/mt)



10 day correlation: 1st LME Steel Rebar & Scrap



Source: Bloomberg, Platts TSI, LME

*Eg: Bloomberg - "Warnings flash for China's Red Hot Steel market: April 25th"

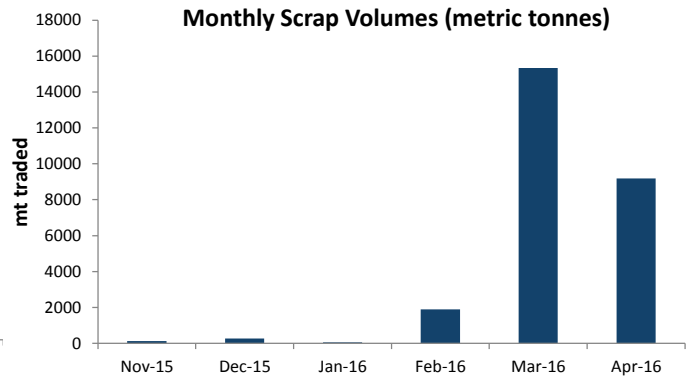
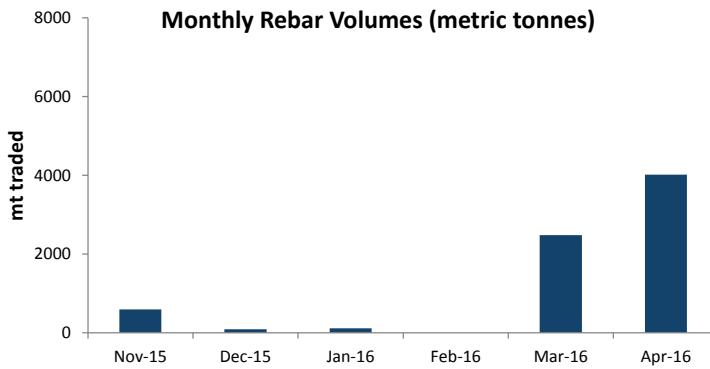
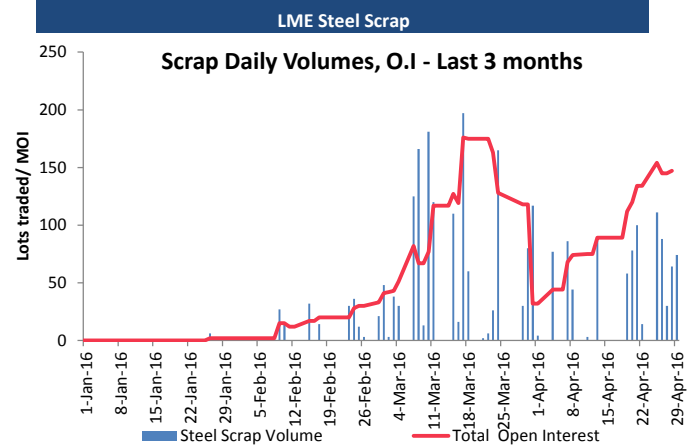
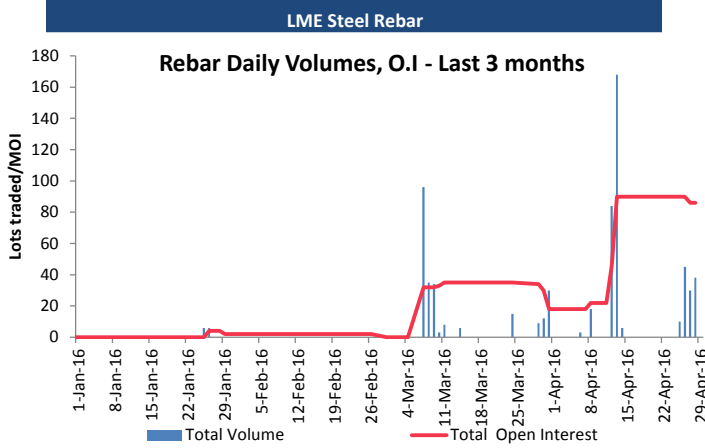
Page 2: Volume, Spreads and Open Interest

Comments:

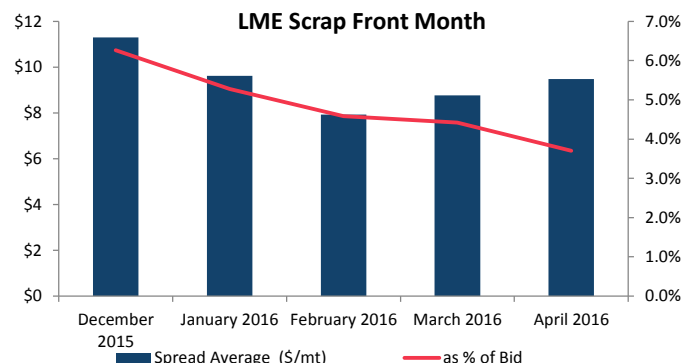
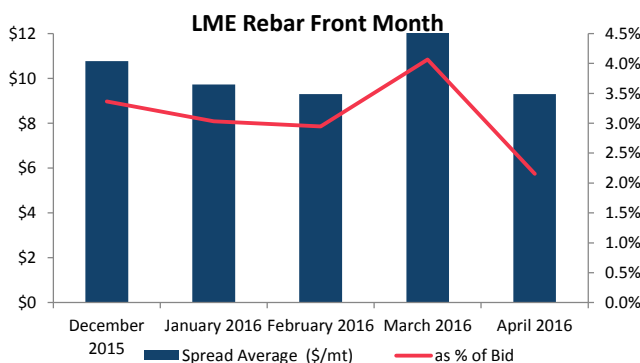
In April, LME Steel Rebar traded a record 4,020mt or 402 lots and for the majority of the month open interest was at a new high of 900mt. LME Steel Scrap meanwhile demonstrated good consistency after its record and volatile March and traded 9,180 mt or 918 lots in April. Open interest also climbed back to its highs, peaking at the equivalent of 1,540 lots. LME Steel Scrap traded 15 out of 21 trading days with two days trading over 100 lots/ 1,000 mt.

Last month was in particular a record for the future months out the LME Steel Scrap contract traded. Trades occurred out to March 2017 and open interest remains on those contracts at month end, continuing to provide shape to the LME's forward curve.

Even with the volatility, LME Steel Rebar bid-ask spreads narrowed considerably in April and the bid-ask spreads on LME Steel Scrap remain consistently tight at now an even lower portion of the contracts notional value.



Spreads (Front Month)



	Spread Average (\$/mt)	as % of Bid	Bid Size Average	Ask Size Average
December 2015	\$10.8	3.4%	11.0	11.7
January 2016	\$9.7	3.0%	7.9	8.3
February 2016	\$9.3	2.9%	9.1	9.4
March 2016	\$13.8	4.1%	8.6	11.0
April 2016	\$9.3	2.2%	9.2	9.4

	Spread Average (\$/mt)	as % of Bid	Bid Size Average	Ask Size Average
December 2015	\$11.30	6.3%	9.0	8.7
January 2016	\$9.62	5.3%	9.4	9.9
February 2016	\$7.93	4.6%	9.8	9.7
March 2016	\$8.77	4.4%	8.6	8.5
April 2016	\$9.48	3.7%	9.2	10.0

Note:

Bid-Ask spreads are taken during active market making quoting hours 1pm - 5pm only
 Bid-Ask spreads are shown in \$ per mt, Outright Tick size is \$0.5/mt \$0.1/mt for carries

Data as of 01/05/2016

LME Steel Rebar					
	Price	Month Change (%)	Monthly Volume	Open Interest (T+2): April 28th	
Apr-16	\$454.00	17.6%	202	50	(Now Expired)
May-16	\$488.00	27.1%	188	34	
Jun-16	\$488.00	27.7%	12	2	
Jul-16	\$484.00	27.4%	0	0	
Aug-16	\$483.00	27.1%	0	0	
Sep-16	\$482.00	26.8%	0	0	
Oct-16	\$480.00	26.3%	0	0	
Nov-16	\$480.00	26.3%	0	0	
Dec-16	\$480.00	26.3%	0	0	
Jan-17	\$480.00	26.3%	0	0	
Feb-17	\$480.00	26.3%	0	0	
Mar-17	\$480.00	26.3%	0	0	
Apr-17	\$480.00	26.3%	0	0	
May-17	\$480.00	26.3%	0	0	
Aggregate:			60	86	
Number of trades:			74		

LME Steel Scrap					
	Price	Month Change (%)	Monthly Volume	Open Interest (T+2): April 28th	
Apr-16	\$274.20	16.7%	203	50	(Now Expired)
May-16	\$308.00	31.1%	179	37	
Jun-16	\$306.00	31.9%	330	28	
Jul-16	\$304.00	33.9%	18	0	
Aug-16	\$302.00	34.8%	16	0	
Sep-16	\$300.00	36.4%	12	0	
Oct-16	\$280.00	27.3%	0	0	
Nov-16	\$262.00	19.1%	75	15	
Dec-16	\$262.00	19.1%	70	14	
Jan-17	\$262.00	19.1%	5	1	
Feb-17	\$262.00	19.1%	5	1	
Mar-17	\$262.00	19.1%	5	1	
Apr-17	\$262.00	19.1%	0		
May-17	\$262.00	19.1%	0		
Aggregate:			730	147	
Number of trades:			250		

Rebar Average Bid-Ask Spread \$/mt, Size in lots						Scrap Average Bid-Ask Spread \$/mt, Size in lots				
	Prompt Month			Avg Bid Size	Avg Ask Size	Prompt Month			Avg Bid Size	Avg Ask Size
	April	May	June	(lots)	(lots)	April	May	June	(lots)	(lots)
1-Apr	6.3	11.3	12.6	17.8	7.4	9.2	15.0	9.3	11.5	6.8
4-Apr	10.4	14.7	15.6	11.1	8.7	8.6	9.9	11.8	9.4	8.2
5-Apr	7.7	9.6	8.3	14.3	6.0	8.2	7.4	11.3	14.3	12.9
6-Apr	8.8	13.0	9.8	7.6	9.1	8.1	9.5	14.8	9.9	8.2
7-Apr	6.3	15.1	15.3	15.0	9.1	15.2	12.5	11.2	8.2	8.0
8-Apr	10.3	13.5	14.3	9.6	8.2	10.3	10.0	9.9	11.2	9.8
11-Apr	7.7	8.8	8.8	7.9	9.4	9.0	15.4	13.8	3.8	7.3
12-Apr	10.5	12.4	12.7	11.0	11.1	10.3	8.9	9.0	12.2	9.2
13-Apr	12.8	10.8	11.2	8.9	10.4	9.4	10.3	9.8	11.4	8.7
14-Apr	11.2	16.6	17.8	9.2	8.1	9.9	16.1	16.4	10.5	10.5
15-Apr	7.8	9.6	8.8	8.7	8.3	7.9	9.3	9.3	9.2	6.0
18-Apr	9.4	5.5	8.6	11.5	8.7	10.3	15.5	15.1	9.8	11.1
19-Apr	8.3	8.5	8.0	12.3	7.8	9.6	11.3	10.3	5.1	7.5
20-Apr	7.7	12.0	12.0	9.4	9.3	7.1	15.0	14.5	7.8	9.3
21-Apr	6.3	11.8	14.0	6.8	9.6	7.3	6.4	6.0	7.3	6.4
22-Apr	10.9	12.1	12.1	9.2	8.9	8.0	17.9	16.3	9.8	9.4
25-Apr	8.9	14.1	11.2	13.6	10.6	14.2	9.9	10.9	8.7	8.0
26-Apr	5.8	10.1	10.5	9.6	7.8	7.6	9.1	10.3	8.3	7.0
27-Apr	7.1	5.5	8.3	10.2	8.0	5.9	7.7	7.6	9.5	8.0
28-Apr	6.9	9.8	11.4	12.2	10.3	6.6	4.1	7.6	9.1	6.7
29-Apr	7.0	10.3	8.7	7.6	7.4		7.3	7.0	9.5	6.9
April Average	9.3	11.3	11.5	10.6	9.0	9.5	10.2	10.5	9.0	8.1
March Average	Feb	March	April	Bid	Ask Size	Feb	March	April	Bid	Ask Size
	13.8	11.2	10.2	11.4	9.1	8.8	10.4	10.2	7.4	12.7
MoM change	-4.5	0.1	1.3	-0.8	0.0	0.7	-0.1	0.3	1.6	-4.6

Contract specification

Contract Names & Codes	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 metric tonne	Venue LMEselect Inter-office	Outright \$0.50 \$0.01	Carries \$0.01 \$0.01
Termination of trading	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	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 on the last trading day		
Trading venues	LMEselect and Inter-office telephone		
Trading hours	LMEselect Inter-office	01:00 – 19:00 London time 24 hours a day	
Margining	Realised variation margins applied		

Contract specification

Contract Names & Codes	LME Steel Scrap	SC	
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 metric tonne	Venue LMEselect Inter-office	Outright \$0.50 \$0.01	Carries \$0.01 \$0.01
Termination of trading	Last business day of the contract month until 13:30 London time		
Daily settlement procedure	LME Market Operations will calculate daily settlement values based on its published procedure		
Final settlement procedure	Final settlement, following termination of the trading for a contract month, will be based on the Monthly Average Index Price of the "TSI Scrap HMS# 1 and HMS#2, 80:20 Turkish Imports CFR Iskenderun Port" Index, which is available from 13:30 on the last trading day		
Trading venues	LMEselect and Inter-office telephone		
Trading hours	LMEselect Inter-office	01:00 – 19:00 London time 24 hours a day	
Margining	Realised variation margins applied		

For more information on our ferrous contract suite, please visit lme.com/ferrous or contact our team at ferrous@lme.com

The London Metal Exchange (the "LME"), 2016. The London Metal Exchange logo is a registered trademark of The London Metal Exchange.

All rights reserved. All information contained within this document (the "Information") is provided for reference purposes only. While the LME endeavours to ensure the accuracy, reliability and completeness of the Information, neither the LME, nor any of its affiliates makes any warranty or representation, express or implied, or accepts any responsibility or liability for, the accuracy, completeness, reliability or suitability of the Information for any particular purpose. The LME accepts no liability whatsoever to any person for any loss or damage arising from any inaccuracy or omission in the Information or from any consequence, decision, action or non-action based on or in reliance upon the Information. All proposed products described in this document are subject to contract, which may or may not be entered into, and regulatory approval, which may or may not be given. Some proposals may also be subject to consultation and therefore may or may not be implemented or may be implemented in a modified form. Following the conclusion of a consultation, regulatory approval may or may not be given to any proposal put forward. The terms of these proposed products, should they be launched, may differ from the terms described in this document. Distribution, redistribution, reproduction, modification or transmission of the Information in whole or in part, in any form or by any means are strictly prohibited without the prior written permission of the LME.

The Information does not, and is not intended to, constitute investment advice, commentary or a recommendation to make any investment decision. The LME is not acting for any person to whom it has provided the Information. Persons receiving the Information are not clients of the LME and accordingly the LME is not responsible for providing any such persons with regulatory or other protections. All persons in receipt of the Information should obtain independent investment, legal, tax and other relevant advice before making any decisions based on the Information.

LME contracts may only be offered or sold to United States foreign futures and options customers by firms registered with the Commodity Futures Trading Commission (CFTC), or firms who are permitted to solicit and accept money from US futures and options customers for trading on the LME pursuant to CFTC rule 30.10.

The "Platts Rebar, FOB Turkey Port Index" and "TSI Turkish Imports HMS #1&2 80:20, CFR Iskenderun Port Index" are products of PLATTS a division of McGraw Hill Financial, Inc. ("MHFI"), and are licensed for use by the London Metal Exchange. PLATTS and TSI are trademarks of MHFI and have been licensed for use by the London Metal Exchange. London Metal Exchange is a trademark of The London Metal Exchange. LME Steel Rebar and LME Steel Scrap are not sponsored, endorsed, sold or promoted by PLATTS, MHFI or their affiliates, and PLATTS, MHFI and their affiliates make no representation regarding LME Steel Rebar or LME Steel Scrap, nor do they have any liability for any errors or omissions in, or interruptions of, the Platts Rebar, FOB Turkey Port Index, the TSI Turkish Imports HMS #1&2 80:20, CFR Iskenderun Port Index, or the LME Steel Rebar or LME Steel Scrap contracts.

PLATTS, ITS AFFILIATES AND LICENSORS DO NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE PLATTS INDEX OR ANY DATA INCLUDED THEREIN OR ANY COMMUNICATIONS, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATIONS (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. PLATTS, ITS AFFILIATES AND LICENSORS SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS OR DELAYS THEREIN. PLATTS, ITS AFFILIATES AND LICENSORS MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY THE EXCHANGE, CLIENTS OR USERS OF THE EXCHANGE CONTRACT, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE PLATTS INDEX OR EXCHANGE CONTRACT OR WITH RESPECT TO THE PLATTS MARKS, THE PLATTS INDEX OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL PLATTS, ITS AFFILIATES AND/OR ITS THIRD PARTY LICENSORS BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE.