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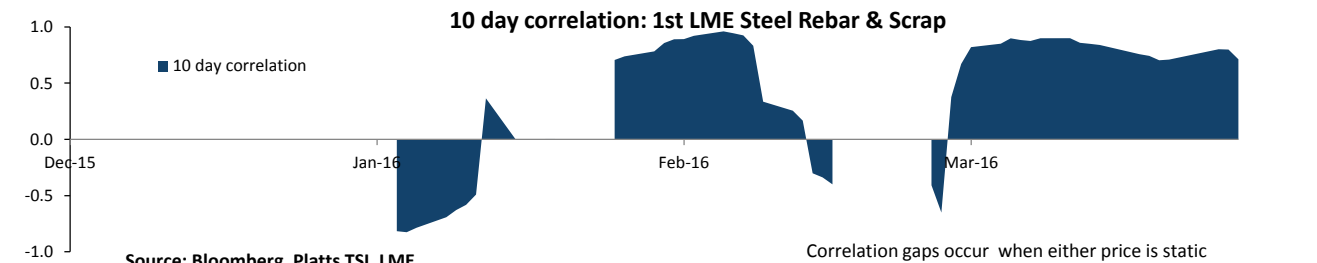
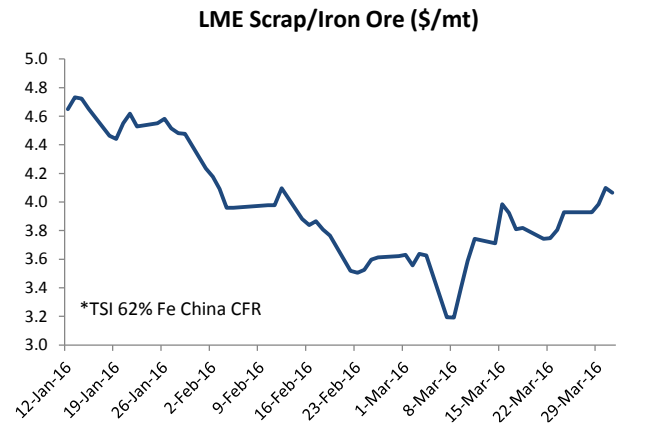
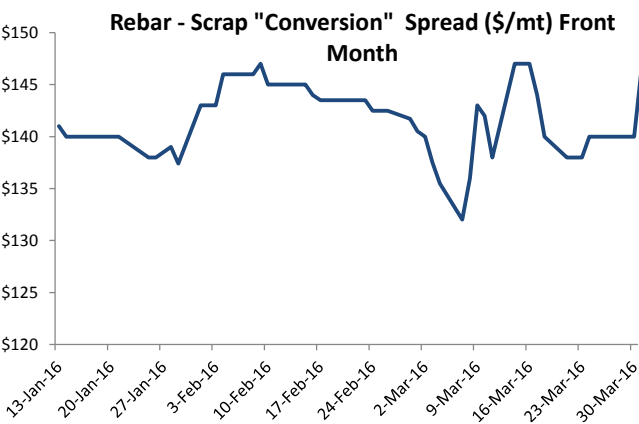
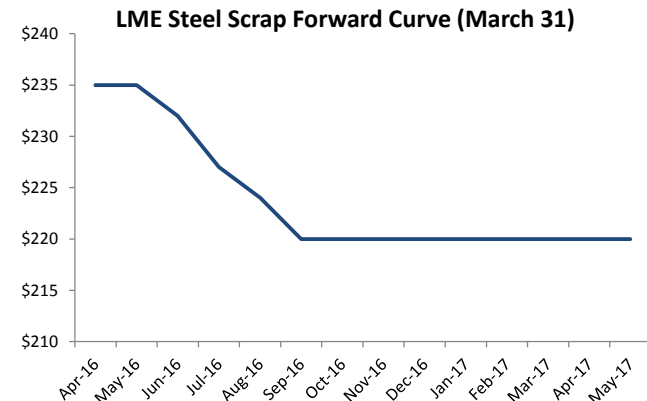
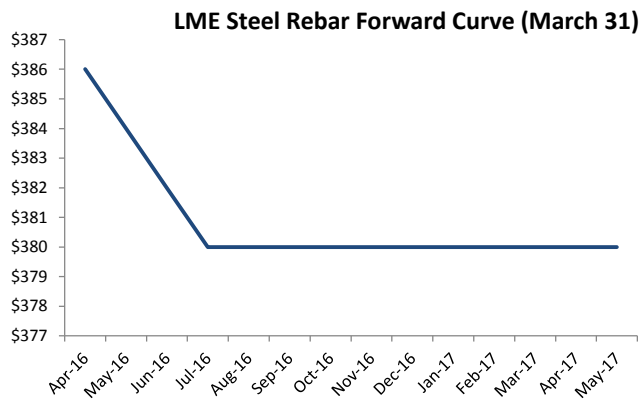
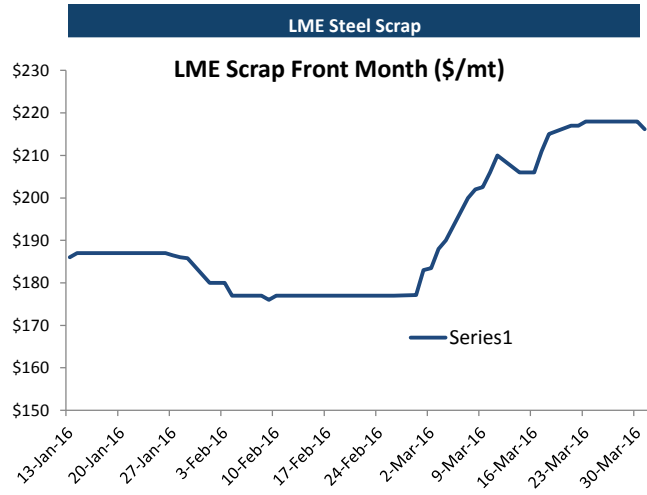
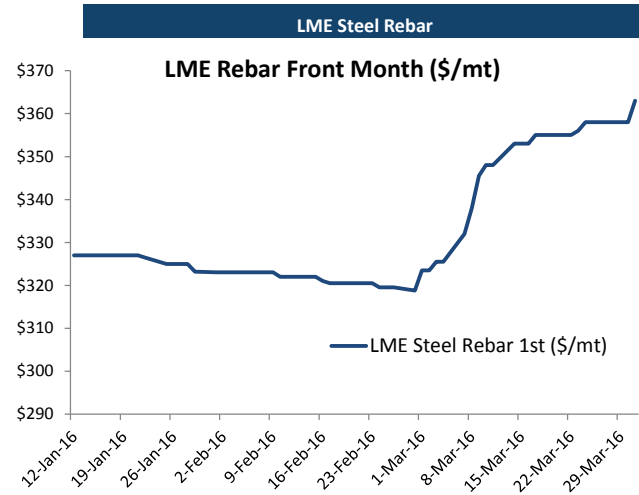
On Thursday 31 March, LME Steel Rebar and LME Steel Scrap March contracts settled at **\$363.0/mt** and **\$216.2/mt** respectively, posting monthly increases of 12.6% and 24.3%.

Leading the surge across the ferrous complex the spot TSI China Import 62% Fe Iron ore price* closed up 9% last month, which was still down 15% from its 7 March 2016 peak when prices jumped almost 20%. On this same day, and demonstrating the correlation amongst the ferrous complex, LME Steel Scrap and LME Steel Rebar had their first of several record volume days and posted more modest daily gains of 5% and 2%. With the iron ore to scrap price ratio then hitting a temporary low, LME Steel Scrap prices continued to rise more consistently through the month until the ratio climbed back above 4 times and in line with the 2 year average ratio between the underlying spot indexes.

LME Steel Rebar initially rose less than LME Steel Scrap prices in the wake of iron ore's rally and this briefly resulted in the "apparent conversion spread" (rebar - scrap price) dropping to new lows. The spread quickly rebounded over the next two days.

The LME Steel Scrap forward curve shifted from a contango to a backwardation out to September. LME Steel Rebar is in a backwardation to July.

Details on volumes and bid-ask spreads on next page



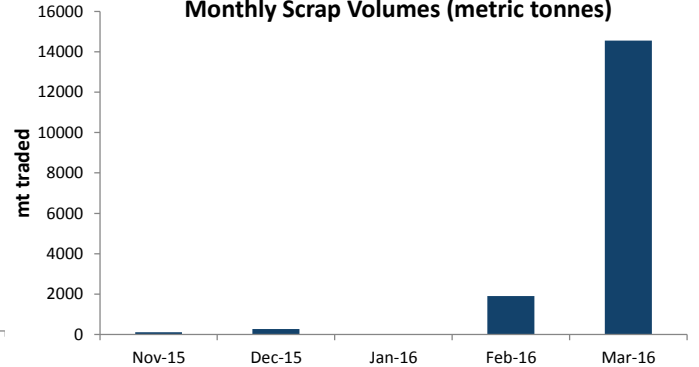
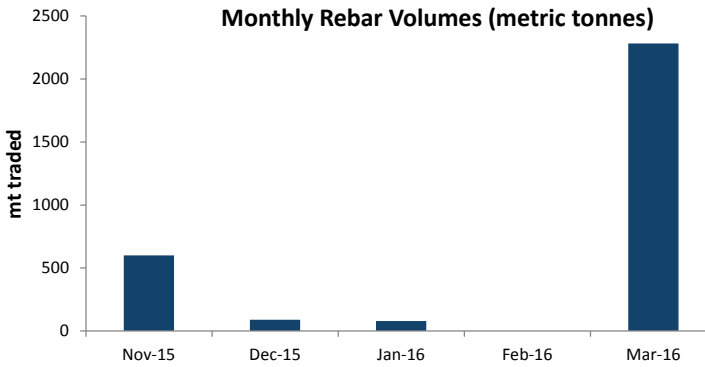
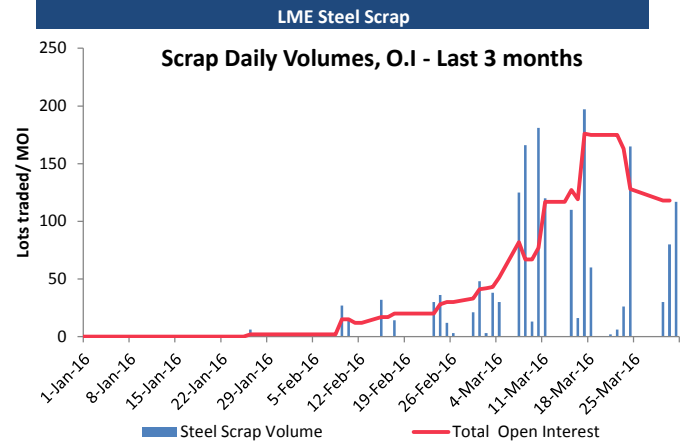
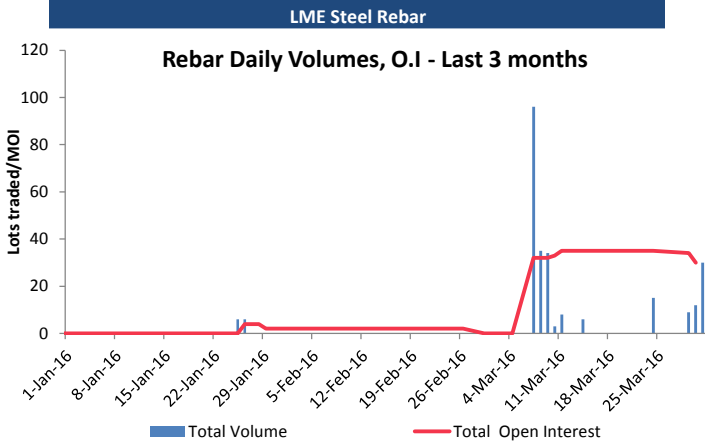
Source: Bloomberg, Platts TSI, LME

Correlation gaps occur when either price is static

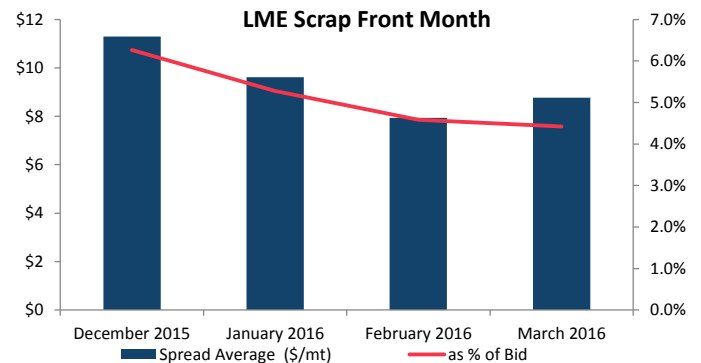
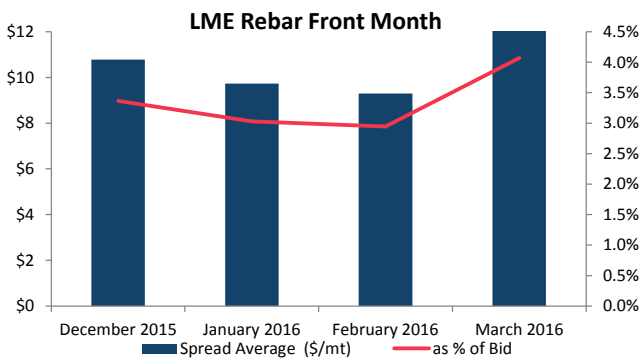
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When iron ore prices experienced a near 20% leap, the volatility resulted in LME Steel Scrap achieving its first day trading over 100 lots. This was surpassed a further six times in the month with a record day of 197 lots (1,970 mt) traded as the LME Steel Scrap price played catch up to iron ore. The contract traded on all but one day throughout March with a total volume of 1,533 lots (or 15,330 mt equivalent) which is over 6 times the month prior. Open interest is also up almost 4 times and stood at 118 lots on March 30th. The April expiry dominated trading for the second month in a row.

LME Steel Rebar volumes totalled 248 lots in March (2,480 mt) and open interest was mostly at a record 35 lots. A record 960 mt also traded on 7 March. Considering the extreme volatility across ferrous markets, bid-ask spreads remained tight and the average book depth actually increased. The in focus April expiry contract saw average LME Steel Scrap bid-ask spreads tighten by 2 ticks (\$1.0/mt) and remained flat in LME Steel Rebar.



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

	Spread Average (\$/mt)	as % of Bid	Bid Size Average	Ask Size Average
December 2015	\$11.30	6.3%	8.95	8.69
January 2016	\$9.62	5.3%	9.38	9.90
February 2016	\$7.93	4.6%	9.83	9.73
March 2016	\$8.77	4.4%	8.55	8.46

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 01/04/2016

LME Steel Rebar					
	Price	Month Change (%)	Monthly Volume	Open Interest (T+2): March 30th	
Mar-16	\$363.0	12.6%	122	12	(Now Expired)
Apr-16	\$386.0	19.9%	116	16	
May-16	\$384.0	18.5%	10	2	
Jun-16	\$382.0	17.5%	0	0	
Jul-16	\$380.0	15.9%	0	0	
Aug-16	\$380.0	15.2%	0	0	
Sep-16	\$380.0	14.8%	0	0	
Oct-16	\$380.0	14.5%	0	0	
Nov-16	\$380.0	14.1%	0	0	
Dec-16	\$380.0	14.1%	0	0	
Jan-17	\$380.0	14.1%	0	0	
Feb-17	\$380.0	14.1%	0	0	
Mar-17	\$380.0	14.1%	0	0	
Apr-17	\$380.0	14.1%	0	0	
Aggregate:			228	30	
Number of trades:			56		

LME Steel Scrap					
	Price	Month Change (%)	Monthly Volume	Open Interest (T+2): March 30th	
Mar-16	\$216.20	24.3%	451	59	(Now Expired)
Apr-16	\$235.00	37.4%	1024	49	
May-16	\$235.00	36.6%	54	10	
Jun-16	\$232.00	34.1%	4	0	
Jul-16	\$227.00	30.5%	0	0	
Aug-16	\$224.00	28.0%	0	0	
Sep-16	\$220.00	25.0%	0	0	
Oct-16	\$220.00	24.3%	0	0	
Nov-16	\$220.00	23.6%	0	0	
Dec-16	\$220.00	22.9%	0	0	
Jan-17	\$220.00	22.9%	0	0	
Feb-17	\$220.00	22.9%	0	0	
Mar-17	\$220.00	22.9%	0	0	
Apr-17	\$220.00	22.9%	0	0	
Aggregate:			1533	118	
Number of trades:			284		

Rebar Average Bid-Ask Spread \$/mt, Size in lots					
	Prompt Month			Avg Bid Size	Avg Ask Size
	March	April	May	(lots)	(lots)
1-Mar	11.1	14.5	9.2	12.7	7.9
2-Mar	11.4	12.1	10.2	10.9	9.2
3-Mar	8.3	7.4	8.6	11.8	9.6
4-Mar	8.4	9.4	11.5	11.2	9.4
7-Mar	11.9	9.9	10.2	9.5	9.5
8-Mar	23.1	15.6	11.0	9.8	9.3
9-Mar	10.9	11.2	10.1	11.3	8.0
10-Mar	9.5	10.0	10.2	13.9	12.6
11-Mar	13.8	10.2	9.7	11.8	9.2
14-Mar	18.9	11.0	6.6	13.6	8.7
15-Mar		11.8	9.1	6.6	16.6
16-Mar	10.3	10.2	10.1	17.3	12.7
17-Mar	12.9	15.4	11.6	10.6	7.6
18-Mar	13.3	13.2	10.0	10.1	8.0
21-Mar	18.2	8.3	7.1	9.4	8.0
22-Mar	10.5	7.9	8.5	8.8	6.6
24-Mar	12.9	12.3	13.4	11.4	7.8
29-Mar	17.6	10.2	11.6	9.2	7.4
30-Mar	22.3	11.1	14.9	14.4	9.1
31-Mar		9.0	11.5	16.7	6.0
March Average	13.8	11.2	10.2	11.4	9.1
Feb Average	9.3	10.4	11.1	9.2	7.4
MoM change	4.5	0.8	-0.8	2.2	1.7

Scrap Average Bid-Ask Spread \$/mt, Size in lots					
	Prompt Month			Avg Bid Size	Avg Ask Size
	March	April	May	(lots)	(lots)
1-Mar	8.0	10.6	9.8	3.8	7.2
2-Mar	7.8	11.9	10.6	11.6	9.9
3-Mar	8.0	8.7	5.7	9.3	11.1
4-Mar	3.2	9.4	2.0	6.2	9.0
7-Mar	9.1	10.2	8.6	7.0	9.4
8-Mar	8.8	11.2	11.0	8.3	8.2
9-Mar	9.0	11.1	10.5	8.2	8.6
10-Mar	7.5	9.1	9.6	5.3	9.6
11-Mar	10.6	9.1	9.2	11.3	7.9
14-Mar	8.4	11.7	9.6	9.8	9.1
15-Mar	6.8	8.6	7.4	11.0	8.6
16-Mar	9.8		7.7	15.6	7.1
17-Mar	10.6	10.6	11.8	10.7	9.2
18-Mar	11.0	8.8	9.3	13.7	10.3
21-Mar	8.1	9.4	9.0	12.4	10.4
22-Mar	9.2	8.0	7.6	20.6	15.9
24-Mar	9.5	10.5	16.5	10.3	7.6
29-Mar	23.0	8.8	11.9	10.3	8.0
30-Mar	16.3	12.5	20.7	4.1	8.5
31-Mar		10.9	6.6	12.5	9.1
March Average	8.8	10.4	10.3	8.7	8.9
Feb Average	7.9	9.3	11.4	8.2	8.2
MoM change	0.8	1.1	-1.1	0.4	0.7

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

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