

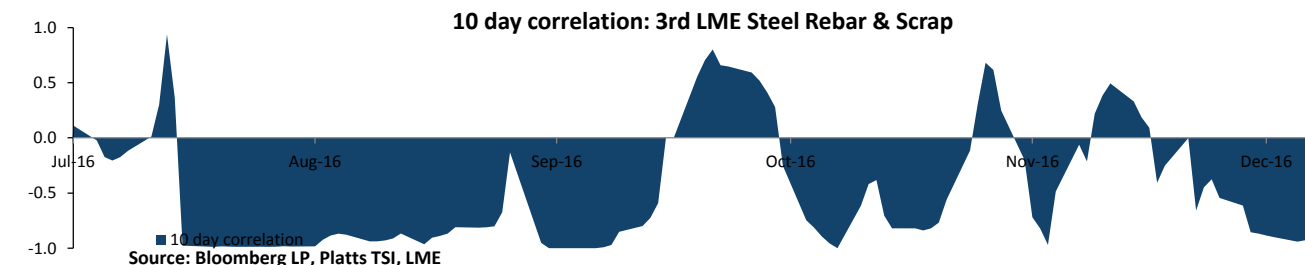
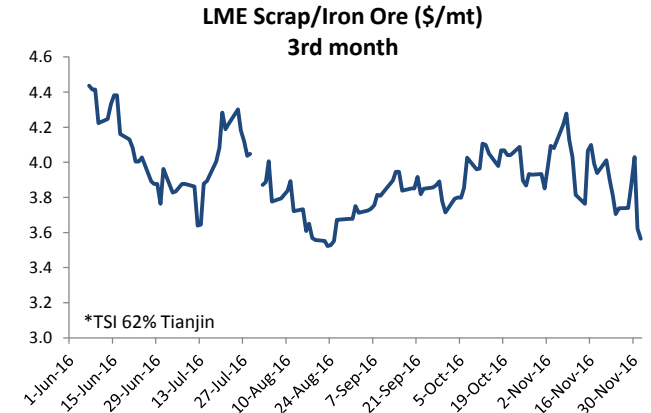
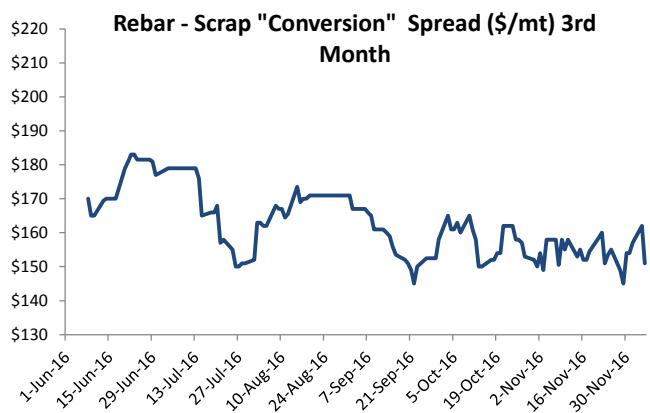
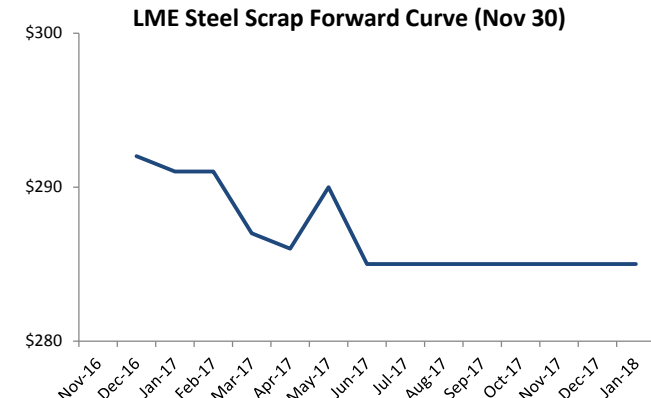
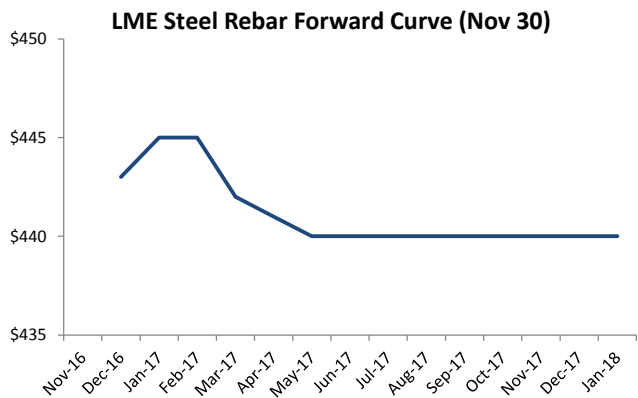
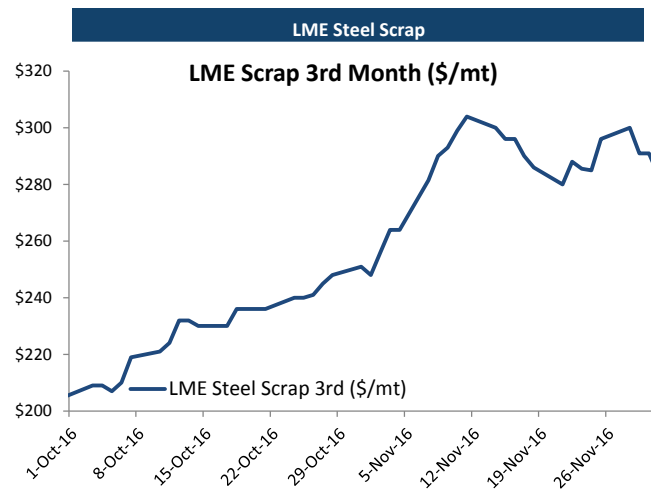
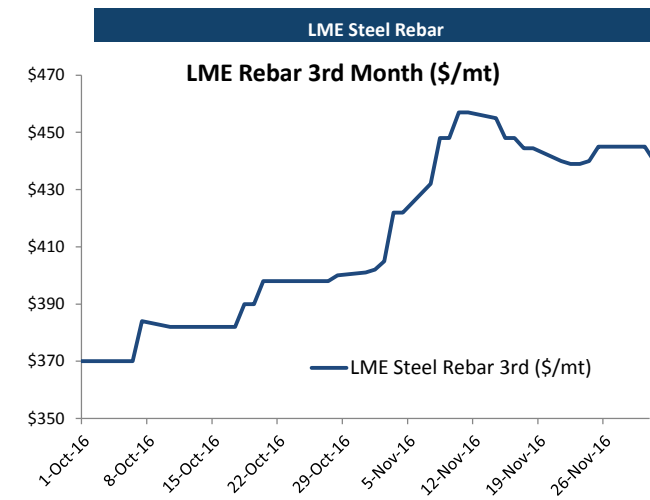
Page 1: Price Review

Comments:

On Wednesday 30 November, LME Steel Scrap and LME Steel Rebar November contracts settled at **\$264.77/mt** and **\$424.32/mt** respectively. This is a monthly increase of 5.9% for scrap and a 5.5% increase for rebar.

Contracts beyond the spot month experienced even larger monthly price increases between 10% and 11.4% for scrap and up to 20% for rebar. Both forward curves are now in backwardation through 2017, but LME Steel Rebar is in a \$2/mt premium for January 2017 over December 2016 and the curve for LME Steel Scrap closed with May 2017 at a \$4/mt premium to April and a \$5/mt premium to the months thereafter.

The spread between LME Steel Rebar and LME Steel Scrap prices ("apparent conversion spread") was flat through November and a brief low of \$145/mt before quickly recovering to \$154/mt by month end. The ratio of LME Steel Scrap prices to iron ore was volatile, although on a downward trend overall. The ratio closed at a high of 4x, but quickly reversed at the start of December.



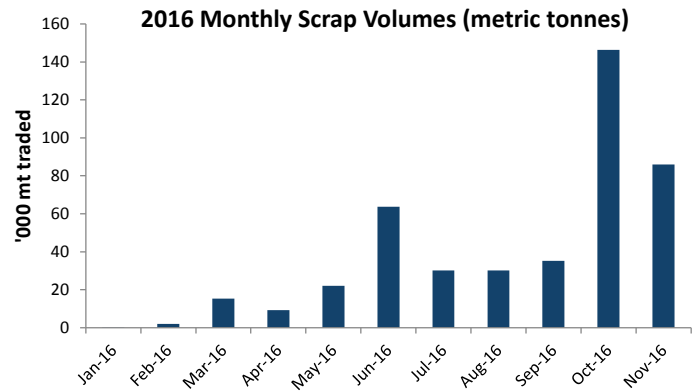
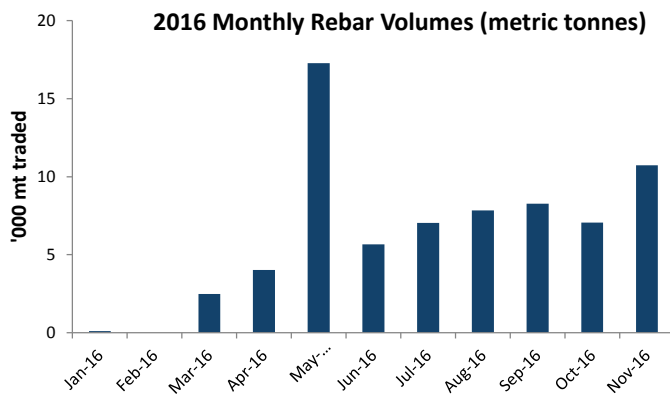
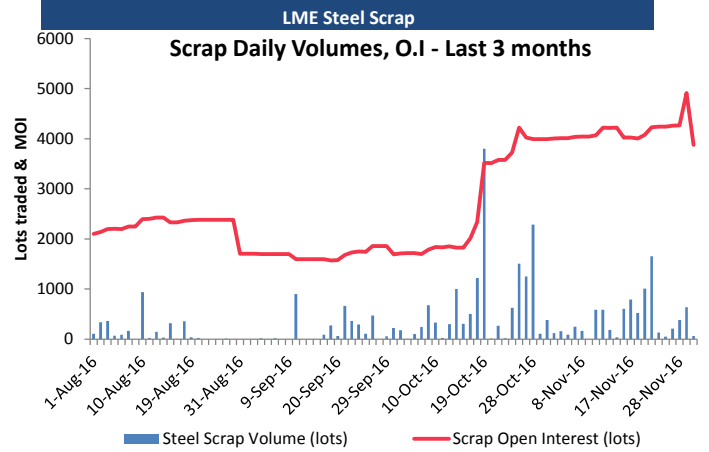
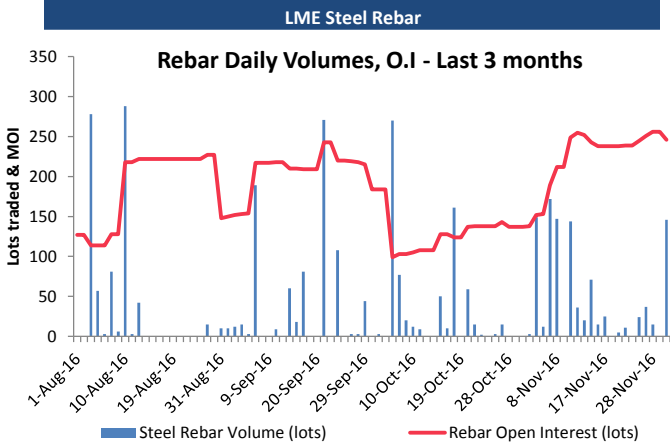
Source: Bloomberg LP, Platts TSI, LME

**Comments:**

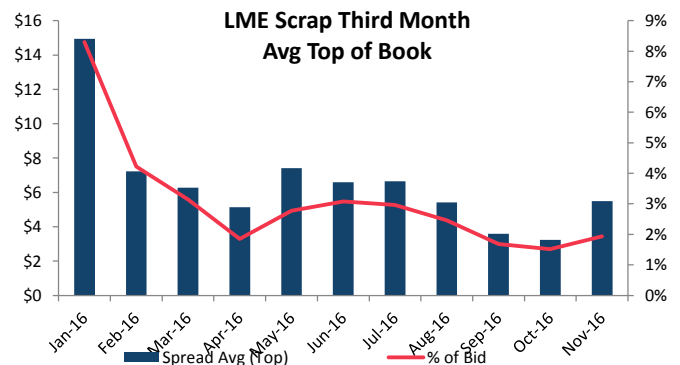
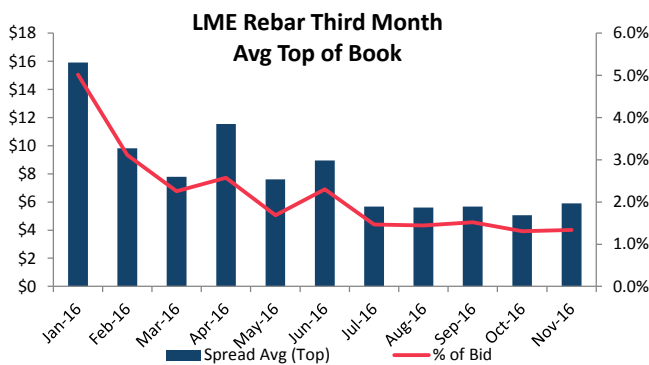
LME Steel Scrap volumes were the equivalent of 85,980 metric tonnes last month, taking the year-to-date-total to 440,110 metric tonnes. LME Steel Scrap open interest hit a new high last month equivalent to 49,130 metric tonnes which is the equivalent of over 12 days of the average trading volume through November. Open interest continues to sit 13 months out along the forward curve.

LME Steel Rebar traded equivalent to 10,320 metric tonnes last month, which is the second highest monthly volume since launch and open interest also grew to new highs of 2,430 metric tonnes, equivalent to 5 days of trading volume.

Scrap bid-ask spreads at the top of the book continued to average below \$6/mt for both LME Steel Scrap and LME Steel Rebar.



**Bid-Ask Spreads (Third Month)**



	Spread Avg (Top)	% of Bid	Bid Size Average	Ask Size Average
January-16	\$15.9	5.0%	6.2	8.6
February-16	\$9.8	3.1%	6.8	10.1
March-16	\$7.8	2.3%	10.5	10.4
April-16	\$11.5	2.6%	8.8	11.5
May-16	\$7.6	1.7%	8.0	10.5
June-16	\$9.0	2.3%	8.1	8.5
July-16	\$5.7	1.5%	1.5	2.0
August-16	\$5.6	1.4%	5.5	7.2
September-16	\$5.7	1.5%	5.2	1.2
October-16	\$5.1	1.3%	3.0	4.5
November-16	\$5.9	1.3%	4.3	2.5

	Spread Avg (Top)	% of Bid	Bid Size Average	Ask Size Average
January-16	\$14.9	8.3%	8.0	7.2
February-16	\$7.2	4.2%	7.7	7.8
March-16	\$6.3	3.1%	5.0	14.0
April-16	\$5.1	1.8%	6.0	10.6
May-16	\$7.4	2.8%	5.8	14.4
June-16	\$6.6	3.1%	6.9	9.6
July-16	\$6.6	3.0%	2.4	3.7
August-16	\$5.4	2.5%	4.5	4.7
September-16	\$3.6	1.7%	2.8	8.4
October-16	\$3.2	1.5%	2.4	19.5
November-16	\$5.5	1.9%	6.4	3.4

Note: Average Bid-Ask spreads are taken across the top bids and asks  
 Bid-Ask spreads are taken during active market making quoting hours 10am - 5pm only

**LME Steel Rebar**

	Price	Month Change (%)	Monthly Volume (lots)	Open Interest end of month	Open interest (lots)
Nov-16	\$424.30	5.5%	14	Expired	
Dec-16	\$443.00	10.5%	302	101	Dec-16
Jan-17	\$445.00	11.3%	198	73	Jan-17
Feb-17	\$445.00	11.3%	380	33	Feb-17
Mar-17	\$442.00	10.5%	27	8	Mar-17
Apr-17	\$441.00	10.3%	103	27	Apr-17
May-17	\$440.00	11.4%	15	4	May-17
Jun-17	\$440.00	11.4%	0	0	Jun-17
Jul-17	\$440.00	11.4%	0	0	Jul-17
Aug-17	\$440.00	11.4%	0	0	Aug-17
Sep-17	\$440.00	11.4%	0	0	Sep-17
Oct-17	\$440.00	11.4%	0	0	Oct-17
Nov-17	\$440.00	11.4%	0	0	Nov-17
Dec-17	\$440.00	11.4%	0	0	Dec-17
<b>Aggregate:</b>			<b>1032</b>	<b>246</b>	
<b>Number of trades:</b>			<b>389</b>		

**LME Steel Scrap**

	Price	Month Change (%)	Monthly Volume (lots)	Open Interest end of month	Open interest (lots)
Nov-16	\$264.80	5.9%	54	Expired	
Dec-16	\$292.00	16.3%	1974	1,493	Dec-16
Jan-17	\$291.00	16.2%	5438	1,290	Jan-17
Feb-17	\$291.00	18.8%	388	273	Feb-17
Mar-17	\$287.00	17.1%	285	251	Mar-17
Apr-17	\$286.00	18.2%	385	167	Apr-17
May-17	\$290.00	20.1%	62	50	May-17
Jun-17	\$285.00	18.0%	0	150	Jun-17
Jul-17	\$285.00	18.0%	0	100	Jul-17
Aug-17	\$285.00	18.0%	0	100	Aug-17
Sep-17	\$285.00	18.0%	3	1	Sep-17
Oct-17	\$285.00	18.0%	3	1	Oct-17
Nov-17	\$285.00	18.0%	3	1	Nov-17
Dec-17	\$285.00	18.0%	3	1	Dec-17
<b>Aggregate:</b>			<b>8,598</b>	<b>3878</b>	
<b>Number of trades:</b>			<b>862</b>		

**Rebar Average Top Bid-Ask Spread \$/mt, Size in lots**

	Prompt Month			Avg Bid Size	Avg Ask Size
	Nov	Dec	Jan	(lots)	(lots)
1-Nov	4.9	5.7	6.7	3.8	3.5
2-Nov	3.7	6.4	4.8	6.7	4.5
3-Nov	7.6	5.4	6.1	3.9	4.2
4-Nov	6.7	5.2	6.0	5.9	6.1
7-Nov	4.3	5.4	6.7	3.9	4.8
8-Nov	6.5	6.2	6.3	2.3	2.1
9-Nov	8.5	6.9	6.8	2.2	1.9
10-Nov	7.2	6.8	6.6	3.9	3.1
11-Nov	7.4	6.3	6.5	2.1	1.8
14-Nov	9.3	7.6	5.7	5.7	4.8
15-Nov	8.3	5.6	6.1	3.6	4.5
16-Nov	9.4	8.4	8.3	6.7	6.0
17-Nov	7.4	6.4	5.1	4.3	4.3
18-Nov	9.2	6.1	3.9	3.7	6.3
21-Nov	8.2	6.0	5.4	3.7	4.0
22-Nov	7.0	5.3	5.8	4.2	4.4
23-Nov	6.1	5.8	5.9	3.6	3.6
24-Nov	7.8	5.9	5.3	1.8	3.3
25-Nov	7.2	5.8	6.2	3.8	2.9
28-Nov	10.0	2.7	5.8	3.0	3.1
29-Nov	3.1	5.2	4.8	6.4	3.8
30-Nov	3.1	7.4	8.0	14.6	8.7
<b>Nov Average</b>	<b>7.1</b>	<b>5.8</b>	<b>5.9</b>	<b>3.8</b>	<b>3.7</b>
	Sept	Oct	Nov	Bid Size	Ask Size
<b>Oct Average</b>	6.5	5.8	5.5	4.9	3.0
<b>MoM change</b>	<b>0.6</b>	<b>0.0</b>	<b>0.5</b>	<b>-1.1</b>	<b>0.7</b>

**Scrap Average Top Bid-Ask Spread \$/mt, Size in lots**

	Prompt Month			Avg Bid Size	Avg Ask Size
	Nov	Dec	Jan	(lots)	(lots)
1-Nov	4.9	5.7	6.7	7.3	3.3
2-Nov	3.7	6.4	4.8	2.5	4.6
3-Nov	7.6	5.4	6.1	4.2	4.1
4-Nov	6.7	5.2	6.0	3.0	3.9
7-Nov	4.3	5.4	6.7	3.7	4.7
8-Nov	6.5	6.2	6.3	4.9	2.8
9-Nov	8.5	6.9	6.8	1.5	1.3
10-Nov	7.2	6.8	6.6	2.7	4.4
11-Nov	7.4	6.3	6.5	1.8	1.5
14-Nov	9.3	7.6	5.7	5.0	3.9
15-Nov	8.3	5.6	6.1	3.0	3.3
16-Nov	9.4	8.4	8.3	7.0	4.1
17-Nov	7.4	6.4	5.1	5.6	8.2
18-Nov	9.2	6.1	3.9	4.3	6.6
21-Nov	8.2	6.0	5.4	6.4	3.9
22-Nov	7.0	5.3	5.8	2.5	3.3
23-Nov	6.1	5.8	5.9	6.6	3.8
24-Nov	7.8	5.9	5.3	2.4	5.8
25-Nov	7.2	5.8	6.2	4.9	3.6
28-Nov	10.0	2.7	5.8	5.5	3.0
29-Nov	3.1	5.2	4.8	5.1	2.5
30-Nov	3.1	7.4	8.0	3.1	3.3
<b>Nov Average</b>	<b>7.1</b>	<b>5.8</b>	<b>5.9</b>	<b>4.1</b>	<b>3.9</b>
	Sept	Oct	Nov	Bid Size	Ask Size
<b>Oct Average</b>	6.5	5.8	5.5	4.9	3.0
<b>MoM change</b>	<b>0.6</b>	<b>0.0</b>	<b>0.5</b>	<b>-0.9</b>	<b>0.9</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 13.30 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 "TSI Scrap HMS#1 and HMS#2, 80:20 Turkish Imports CFR Iskenderun Port" Index, which is available from 13.30 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 Rebar, Turkish exports, FOB Turkey port" Index, 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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