

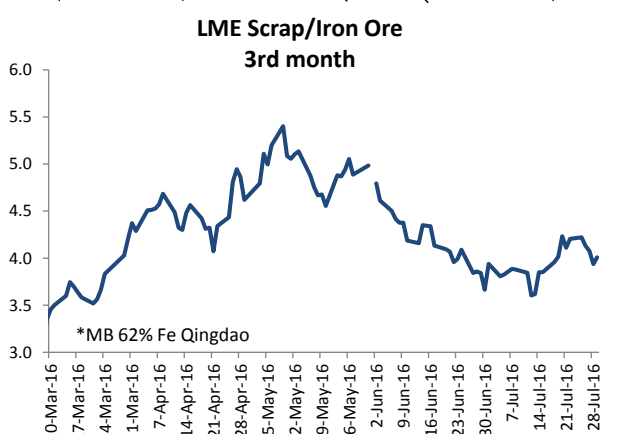
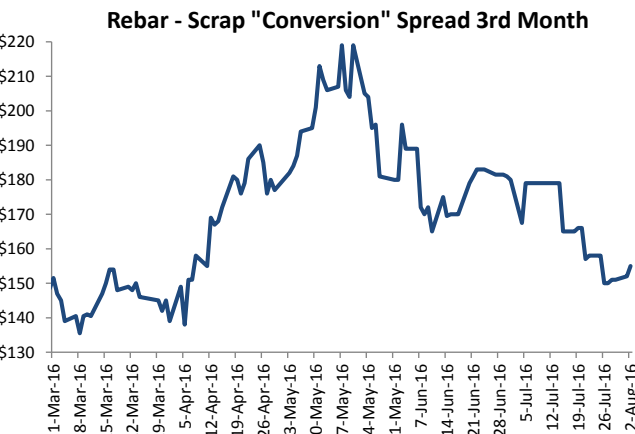
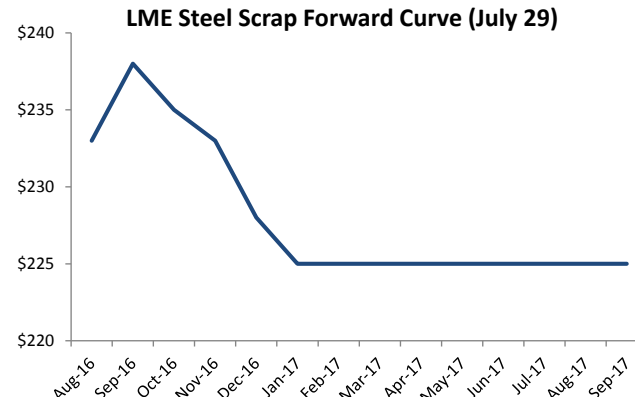
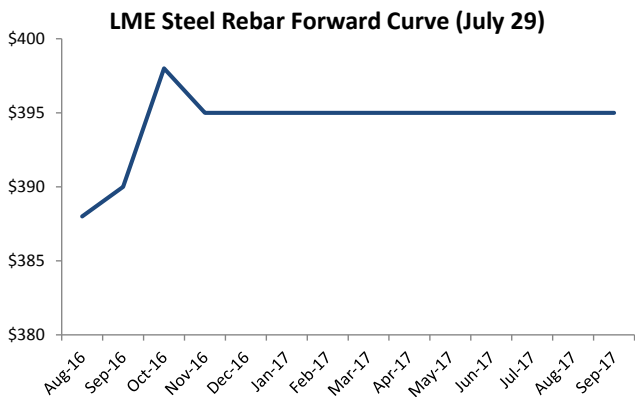
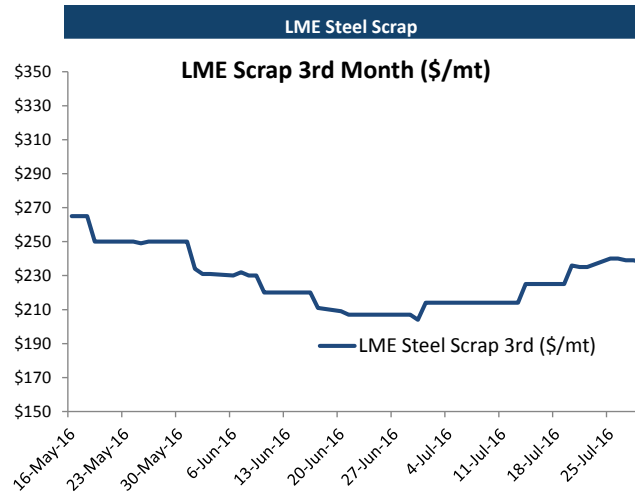
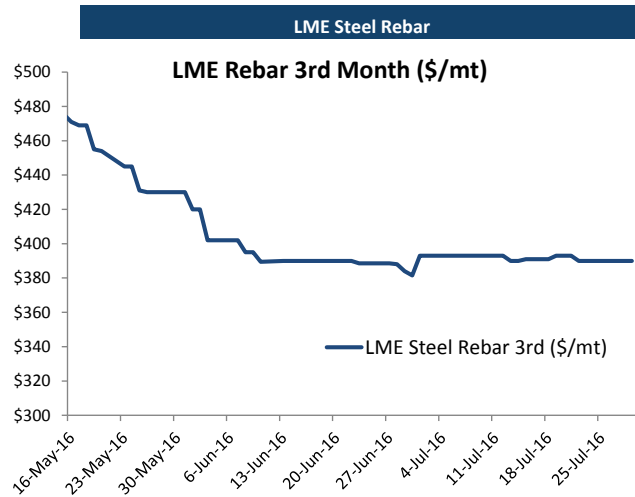
Comments:

On Friday 29th July, LME Steel Scrap and LME Steel Rebar July contracts settled at **\$219.10/mt** and **\$379.70/mt** respectively. A monthly increase of 2.4% for scrap but a 3.63% decrease for rebar.

A month of fairly flat moves in the front month scrap contract was in contrast to a steeper 14% increase on the August prompt and a 10% increase on the September prompt. This shifts the forward curve from backwardation to a contango into September, which is priced at a \$5/mt premium to August.

On the rebar forward curve the contango to September significantly eased as September prices rose 0.3% compared to a 1.7% gain for August. The August-October premium however, has increased to \$10 /mt from \$8/mt at the close of last month.

The rise in scrap prices sees the apparent conversion margin (rebar-scrap) drop to its lowest since March 2016, before SHFE rebar volumes had surged and global rebar prices rose. The scrap to iron ore ratio has been relatively stable since mid June.



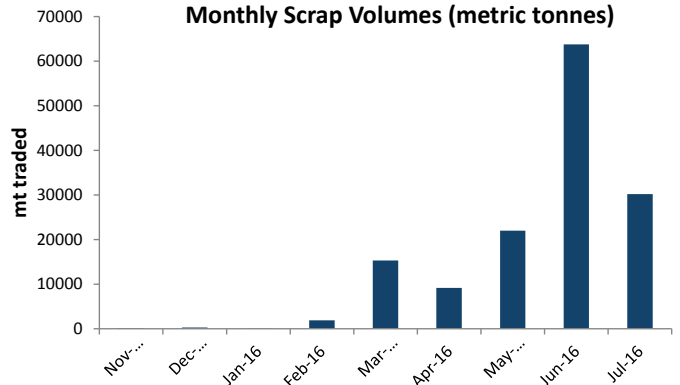
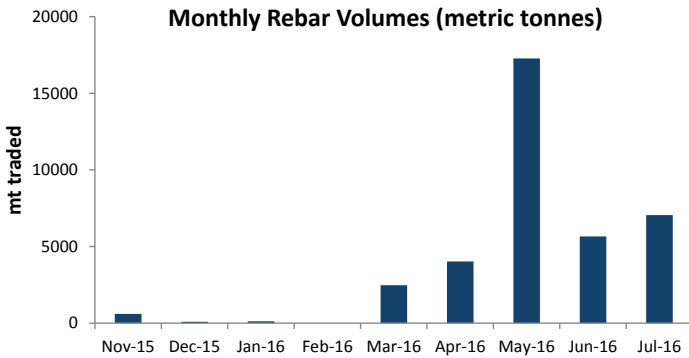
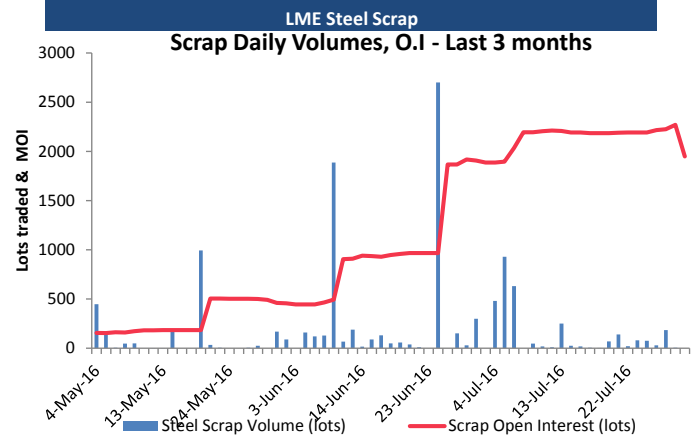
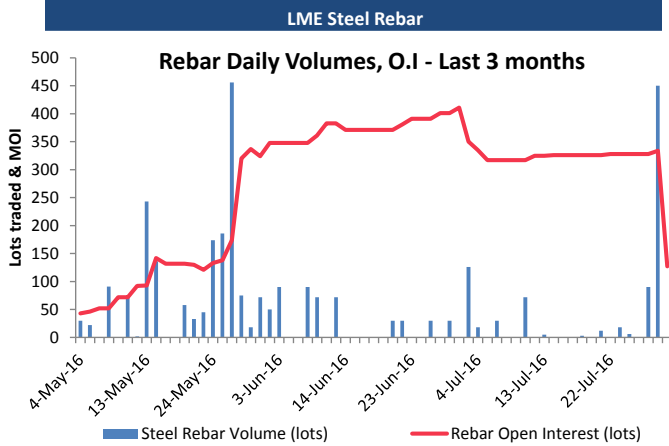
Source: Bloomberg LP, Platts TSI, MB, LME

Page 2: Volume, Spreads and Open Interest

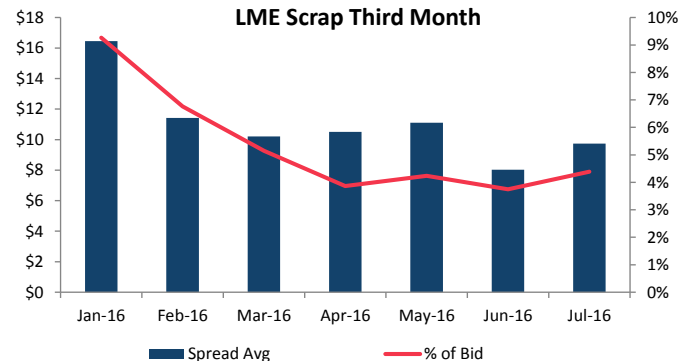
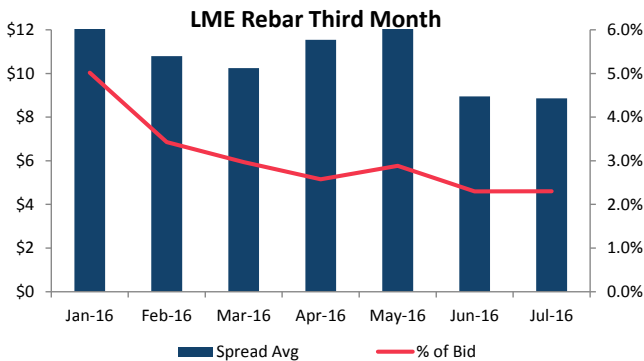
Comments:
 In July 2016 both LME Steel Scrap and LME Steel Rebar traded the second highest volumes since they launched. LME Steel Scrap traded the equivalent of 30,150 mt bringing the year to date total to 142,370 mt. Open interest meanwhile grew to a new high of 21,200 mt and 2,070mt of July positions were held to expiry. Since June, December 2016 has been the largest held prompt date with 60,000mt of open interest

LME Steel Rebar traded the equivalent of 7,040 mt which included the second highest ever days volume of 4,500mt. Since late June, August has been the highest month for open interest, but since May, positions exist out as far as May 2017. Total open interest of LME Steel Rebar peaked at 3,340mt last month

Bid ask spreads remained below \$10/mt for both contracts after the spreads had tightened again in June. In fact last month the bid-ask spreads for LME Steel Rebar averaged the tightest on record and below \$9/mt or just 2.3% of the contract value.



Bid-Ask Spreads (Third Month)



	Spread Avg	% of Bid	Bid Size Average	Ask Size Average
December 2015	\$17.5	5.5%	8.0	8.2
January 2016	\$15.9	5.0%	6.2	8.6
February 2016	\$10.8	3.4%	7.3	9.5
March 2016	\$10.2	3.0%	10.0	11.9
April 2016	\$11.5	2.6%	8.8	11.5
May 2016	\$12.7	2.9%	8.7	9.7
June 2016	\$9.0	2.3%	8.1	8.5
Jul-16	\$8.9	2.3%	2.5	2.8

	Spread Avg	% of Bid	Bid Size Average	Ask Size Average
December 2015	\$16.2	9.1%	7.8	7.1
January 2016	\$16.4	9.3%	6.9	7.6
February 2016	\$11.4	6.8%	8.0	8.2
March 2016	\$10.2	5.1%	10.3	9.9
April 2016	\$10.5	3.9%	8.5	9.3
May 2016	\$11.1	4.2%	7.8	12.3
June 2016	\$8.0	3.7%	8.4	6.9
Jul-16	\$9.7	4.4%	3.1	3.6

Note:
 Bid-Ask spreads are taken during active market making quoting hours 1pm - 5pm only
 Average bid-ask spreads are taken across the top 5 bids and asks
 Bid-Ask spreads are shown in \$ per mt, Outright Tick size is \$0.5/mt \$0.1/mt for carries

Data as of 2/8/2016

LME Steel Rebar				
	Price	Month Change (%)	Monthly Volume	Open Interest end of month
Jul-16	\$379.70	-3.6%	72	Expired
Aug-16	\$388.00	1.7%	176	91
Sep-16	\$390.00	0.3%	96	19
Oct-16	\$398.00	2.1%	168	6
Nov-16	\$395.00	1.3%	162	1
Dec-16	\$395.00	1.3%	156	1
Jan-17	\$395.00	3.9%	0	3
Feb-17	\$395.00	3.9%	0	2
Mar-17	\$395.00	3.9%	0	2
Apr-17	\$395.00	3.9%	0	1
May-17	\$395.00	3.9%	0	1
Jun-17	\$395.00	3.9%	0	0
Jul-17	\$395.00	3.9%	0	0
Aug-17	\$395.00	3.9%	0	0
Aggregate:			7040	127
Number of trades:			82	

LME Steel Scrap				
	Price	Month Change (%)	Monthly Volume	Open Interest end of month
Jul-16	\$219.10	2.4%	480	Expired
Aug-16	\$233.00	14.2%	1889	368
Sep-16	\$238.00	10.2%	571	253
Oct-16	\$235.00	8.3%	18	206
Nov-16	\$233.00	6.9%	9	218
Dec-16	\$228.00	4.6%	50	600
Jan-17	\$225.00	3.2%	0	51
Feb-17	\$225.00	3.2%	0	51
Mar-17	\$225.00	3.2%	0	51
Apr-17	\$225.00	3.2%	0	150
May-17	\$225.00	3.2%	0	0
Jun-17	\$225.00	3.2%	0	0
Jul-17	\$225.00	3.2%	0	0
Aug-17	\$225.00	3.2%	0	0
Aggregate:			30170	1948
Number of trades:			212	

	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
	June	July	August	(lots)	(lots)	June	July	August	(lots)	(lots)
1-Jun	11.4	14.3	10.0	1.4	7.3	11.5	15.3	13.5	10.3	9.4
2-Jun	10.3	10.5	9.3	10.0	2.0	11.7	11.1	9.5	10.5	5.9
3-Jun	10.6	9.4	9.8	6.8	7.1	11.9	9.7	7.5	9.8	7.6
6-Jun	8.3	6.9	10.0	11.4	8.4	8.4	9.7	7.5	10.7	10.9
7-Jun	10.6	10.2	10.9	6.2	6.8	11.8	14.1	3.9	11.7	8.8
8-Jun	10.4	11.8	9.5	5.8	6.6	9.3	10.2	7.7	16.1	8.3
9-Jun	8.6	10.2	10.6	9.2	5.3	10.5	12.2	10.3	11.1	10.4
10-Jun	10.0	9.0	9.5	15.1	3.1	8.4	8.4	9.2	12.3	9.3
13-Jun	8.0	13.0	12.0	4.4	5.8	9.1	10.6	9.6	11.5	9.6
14-Jun	9.1	16.0	9.0	6.5	9.0	8.5	7.0	8.0	3.5	8.9
15-Jun	11.2	9.9	10.1	15.4	14.2	10.6	8.5	9.8	5.0	9.2
16-Jun	11.0	10.1	9.9	10.4	9.3	10.5	10.1	8.2	7.0	8.7
17-Jun	9.5	10.1	11.7	6.8	5.4	10.7	5.3	4.7	4.6	8.4
20-Jun	9.2	10.0	8.0	9.2	6.6	12.2	11.3	10.0	9.4	10.0
21-Jun	14.3	19.0	7.5	6.2	6.9	10.4	11.8	8.4	11.7	9.3
22-Jun	12.8	11.5	8.6	16.5	17.4	7.6	8.8	7.8	11.7	10.6
23-Jun	12.4	17.3	3.5	7.8	4.2	7.6	14.5	8.5	10.9	7.7
24-Jun	12.3	16.3	5.5	7.9	5.0	8.7	14.8	7.0	9.6	7.4
27-Jun	6.0	8.8	11.0	4.1	3.9	6.1	9.5	9.4	9.3	8.0
28-Jun	7.2	8.0	5.5	5.0	3.7	8.5	9.4	3.1	8.3	9.8
29-Jun	9.5	8.0	3.2	2.5	3.2	7.5	12.5	7.4	3.8	7.6
30-Jun	9.0	8.9	3.0	5.9	3.2	6.0	8.8	5.4	3.4	9.5
June Average	10.8	10.9	9.0	9.1	8.4	9.8	9.9	8.3	8.5	9.0
	May	June	July	Bid Size	Ask Size	May	June	July	Bid Size	Ask Size
May Average	13.8	12.8	12.7	10.9	8.8	13.8	14.0	12.0	11.5	8.3
MoM change	-3.0	-1.8	-3.8	-1.8	-0.4	-3.9	-4.1	-3.7	-3.0	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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