

To: All Members

Ref: 17/237

Classification: Trading Technical

Date: 7 July 2017

Subject: **LMEprecious go-live configuration update**

Summary

1. This notice provides an update to members on go-live configurations in place for LMEprecious on 10 July 2017.

Market Making

2. LME notice no. 17/229, dated 6 July 2017, advised members of the market making arrangements that will be in place for both LME Gold and LME Silver. On Monday 10 July 2017, these arrangements will be phased in from 08:00am until 11:00am, after which time, the full market making requirements will be in place.

Implied Outright dates

3. LMEprecious will support implied pricing to combine explicit outright orders with explicit calendar spread orders to “imply out” new tradable outright orders. This functionality will combine spot liquidity with outright monthly futures liquidity.
4. This implied functionality will be phased in from go-live. On Monday 10 July 2017, LME Gold and LME Silver will “imply out” two monthly dates: Aug17 and Sep17.
5. Additional monthly dates for which implied pricing will be implemented will be advised in due course via LMEselect.
6. Notice 17/229, dated 6 July 2017, outlines the precious metals market making arrangements. This includes calendar spread obligations from spot to T+3, every monthly date and every quarterly date out to 5 years. This will provide a liquid and transparent forward curve from day one.



7. The market making arrangements also include outright spot orders, allowing outright risk to be hedged and then rolled out to any monthly date using the calendar spread quotes that are streamed.

Further Information

8. If you have any questions regarding the new LMEprecious contracts, please contact lmeprecious@lme.com.

Kate Eged
Head of Precious Metals

cc: Board directors