

To: All Members and other interested parties

Date: 04 November 2021

Ref: 21/218

Classification: Trading General

Subject: **FINAL SETTLEMENT PRICES FOR CASH-SETTLED FUTURES**

### Summary

1. With effect from 04 November 2021, LME Notice 21/120 (*Final Settlement Prices for Cash-Settled Futures*) is withdrawn and replaced with this Notice which shall take effect and sets out the Cash-Settled Future Index that will be used by the LME as the Cash-Settled Futures Final Settlement Price (“**Final Settlement Price**”) for each of the Cash-Settled Futures.

### Defined Terms

2. Capitalised terms not otherwise defined in this Notice shall have the meaning ascribed to them in the Rules and Regulations of the LME (“**LME Rulebook**”). All times set out in this Notice shall refer to prevailing UK time.

### Cash-Settled Futures Index

3. As set out in Regulation 1.10 of Part 6C (for Cash-Settled Futures – Ferrous) and Regulation 1.10 of Part 6D (for Cash-Settled Futures – Non-Ferrous) of the LME Rulebook, the LME shall specify, by way of Notice issued from time to time, the Cash-Settled Futures Index that shall be used as the Final Settlement Price for each Cash Settled Future. Accordingly, Members and other interested parties are advised that a Cash-Settled Futures Contract shall, following termination of trading of the relevant Prompt Date, be settled by reference to the relevant Final Settlement Price, which shall be the relevant Cash-Settled Futures Index set out below:

<u>Contract</u>	<u>Index provider</u>	<u>Index name</u>	<u>Value used in settlement</u>
<u>Cash-Settled Futures – Non-Ferrous</u>			



LME Alumina (Platts)	S&P Global Platts	Platts Alumina Fob Australia Index	Mid point
LME Cobalt (Fastmarkets MB)	Fastmarkets MB	Fastmarkets MB Cobalt standard grade free market \$/tonne in	Low point
LME Molybdenum (Platts)	S&P Global Platts	Platts Molybdenum Oxide Daily Dealer (Global) index	Mid point
LME Aluminium Premium Duty Paid US Midwest (Platts)	S&P Global Platts	Platts Aluminium Transaction Premium DDP US Midwest	Mid point
LME Aluminium Premium Duty Unpaid European (Fastmarkets MB)	Fastmarkets MB	Fastmarkets MB Aluminium P1020A in-warehouse Rotterdam duty-unpaid	Mid point
LME Aluminium Premium Duty Paid European (Fastmarkets MB)	Fastmarkets MB	Fastmarkets MB Aluminium P1020A in-warehouse Rotterdam duty paid	Mid point
LME Aluminium UBC Scrap US (Argus)	Argus	Argus Aluminium Scrap Cans (UBC) mill grade delivered US	Mid point
LME Lithium Hydroxide CIF (Fastmarkets MB)	Fastmarkets MB	Lithium Hydroxide Monohydrate 56.5% LiOH.H <sub>2</sub> O min, battery grade spot price CIF China, Japan & Korea	Mid point



<u>Cash-Settled Futures – Ferrous</u>			
LME Steel Scrap CFR Turkey (Platts)	S&P Global Platts	Platts TSI HMS 1/2 (80:20) CFR Turkey	Mid point
LME Steel Rebar FOB Turkey (Platts)	S&P Global Platts	Platts Rebar, Turkish exports, FOB Turkey port	Mid point
LME Steel HRC FOB China (Argus)	Argus	Argus HRC FOB Tianjin China	Mid point
LME Steel HRC N. America (Platts)	S&P Global Platts	Platts TSI HRC US EXW Indiana	Mid point
LME Steel HRC NW Europe (Argus)	Argus	Argus HRC ex-works northwest Europe	Mid point
LME Steel Scrap CFR Taiwan (Argus)	Argus	Argus HMS 1/2 (80:20) containerised CFR Taiwan	Mid point
LME Steel Scrap CFR India (Platts)	S&P Global Platts	Platts Shredded Scrap CFR Nhava Sheva	Mid point

#### **Establishment and Publication of the Final Settlement Prices**

4. Except as provided for in paragraph 6, the Final Settlement Prices will be established and published on the last Business Day of each calendar month, upon receipt by the LME of the Cash-Settled Futures Index for each Cash-Settled Future. Subject to receipt of the relevant Cash-Settled Futures Index, the LME aims to publish the Final Settlement Price for each Cash-Settled Future at the times set out below:



<u>Contract</u>	<u>Relevant Jurisdiction</u>	<u>Reference Price Publication Date</u>	<u>Reference Price Publication Time (UK time)</u>
<u>Cash-Settled Futures – Non-Ferrous</u>			
LME Alumina (Platts)	London	Last Business Day of each calendar month	17:40
LME Cobalt (Fastmarkets MB)	London	Last Business Day of each calendar month	17:10
LME Molybdenum (Platts)	London	Last Business Day of each calendar month	17:10
LME Aluminium Premium Duty Paid US Midwest (Platts)	United States of America	First Business Day following the last Business Day of each calendar month	17:40
LME Aluminium Premium Duty Unpaid European (Fastmarkets MB)	London	Last Business Day of each calendar month	17:15
LME Aluminium Premium Duty Paid European (Fastmarkets MB)	London	Last Business Day of each calendar month	17:15
LME Aluminium UBC Scrap US (Argus)	United States of America	First Business Day following the last Business Day of each calendar month	17:40
LME Lithium Hydroxide CIF (Fastmarkets MB)	London	Last Business Day of each calendar month	15:20
<u>Cash-Settled Futures – Ferrous</u>			
LME Steel Scrap CFR Turkey (Platts)	London	Last Business Day of each calendar month	16:45
LME Steel Rebar FOB Turkey (Platts)	London	Last Business Day of each calendar month	16:45



LME Steel HRC FOB China (Argus)	Singapore	Last Business Day of each calendar month	16:05
LME Steel HRC N. America (Platts)	United States of America	First Business Day following the last Business Day of each calendar month	16:45
LME Steel HRC NW Europe (Argus)	London	Last Business Day of each calendar month	16:45
LME Steel Scrap CFR Taiwan (Argus)	Singapore	Last Business Day of each calendar month	16:05
LME Steel Scrap CFR India (Platts)	London	Last Business Day of each calendar month	16:05

5. Where a Reference Price Publication Date falls on a date which is not both an LME Business Day<sup>1</sup> and a business day in the Relevant Jurisdiction (see above), the Reference Price Publication Date shall be adjusted to the next LME Business Day following receipt by the LME of the relevant Cash-Settled Futures Index. By way of non-exhaustive example:
- (a) Where the Reference Price Publication Date is not a LME Business Day but is a business day in the Relevant Jurisdiction, the Reference Price Publication Date shall be adjusted to the next Business Day;
  - (b) Where the Reference Price Publication Date is not a normal business day in the Relevant Jurisdiction but is a LME Business Day, the Reference Price Publication Date shall be adjusted to the next LME Business Day following the LME's receipt of the relevant Cash-Settled Futures Index; and
  - (c) Where the Reference Price Publication Date is not a LME Business Day or a normal business day in the Relevant Jurisdiction, the Reference Price Publication Date shall be adjusted to the next LME Business Day following the LME's receipt of the relevant Cash-Settled Futures Index.
6. In the event of a failure of the necessary SFTP feeds, the LME's business continuity procedures stipulate alternative methods for receiving the daily and

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<sup>1</sup> This term is defined in the LME Rulebook as Business Day.



monthly Index Prices, either by email or by telephone.

### **Trading on a known Final Settlement Price**

7. In certain circumstances, the relevant Cash-Settled Futures Index may be published prior to the Last Trading Day and/or Last Trading Time as set out in Regulation 1.6 of Part 6C (for Cash-Settled Futures – Ferrous) and Regulation 1.6 of Part 6D (for Cash-Settled Futures – Non-Ferrous) of the LME Rulebook. In these circumstances, it will be possible to identify the relevant Final Settlement Price basis the known Cash-Settled Futures Index. It will therefore also be possible in these circumstances to trade on LMEselect and in the inter-office market on the basis of a known Final Settlement Price.
8. These circumstances arise owing to the publication schedule of Cash-Settled Futures Indices being set by the relevant index provider (rather than the LME) and, as a result, publication dates may on occasion not align in all cases with the LME's trading calendar. Market participants are therefore invited to take note of the publication time (including relevant time zone) and date of the relevant Cash-Settled Futures Index, and of the last trading time for the relevant Cash-Settled Future. Additionally, the LME notes that index providers may operate different publication calendars around public holidays.
9. The LME shall not be responsible for any losses that may be incurred in relation to any trading that is undertaken by a market participant after the relevant Cash-Settled Futures Index is known.

### **General**

10. Members and other interested parties with queries in respect of this Notice should contact the LME by email to: [tradingoperations@lme.com](mailto:tradingoperations@lme.com).

**James Macdonald**  
**Head of Trading Operations**

cc: Board directors  
User Committee  
Steel Committee  
Aluminium Committee  
Cobalt Committee