



To: All members and other interested parties

Ref: 22/068

Classification: Trading

Date: 15 March 2022

Subject: **NICKEL MARKET UPDATE: OPERATIONAL ARRANGEMENTS – REVISION TO DELIVERY DEFERRAL ARRANGEMENTS IN NOTICE 22/064, REVISED NICKEL TRADING HOURS, AND APPLICATION OF DISRUPTION EVENTS RELATING TO RING 2 ACTIVITY**

Summary

1. The LME, acting through the Special Committee where applicable and following consultation with the Clearing House, has determined to make the following operational amendments to the reopening procedure for Nickel: (i) extend the delivery deferral arrangements in Notice 22/064 such that all Nickel Contracts due for delivery between 16 and 22 March will have delivery deferred to 23 March irrespective of when they were entered into; (ii) revise the trading hours for Nickel Contracts until further notice; and (iii) clarify the application of Disruption Events to the second Ring trading session (R2).

Defined Terms

2. Capitalised terms not otherwise defined in this Notice shall have the meaning ascribed to them in the LME Rulebook and related Notices, and LME Clear Rules, as applicable.

Background

3. Following the publication of Notice 22/064, the LME has had feedback from the User Committee and a range of other market participants on specific operational amendments to further support the reopening of the Nickel market. Based on such feedback, the LME believes that it is appropriate to implement such changes.

Delivery Deferral

4. Notice 22/064 deferred delivery of all Nickel Contracts entered into prior to 16 March and due for delivery between 16 and 22 March inclusive, to 23 March.
5. Further to market discussions, the LME considers it appropriate to extend this provision such that all Nickel Contracts due for delivery between 16 and 22 March, regardless of the date they were entered into, will have their delivery deferred to 23 March.
6. This will enable, for example, market participants to trade Cash Nickel on 16 March without concerns regarding the management of physical delivery on 18 March, given the current lack of open interest on this date.
7. On a daily basis, LME Clear Operations will assess long positions and short positions in Cash Today (Tom) Nickel Contracts and pair up holdings. Through LME Post-Trade Operations and the LME



Relationship Management team, files containing relevant position details will be emailed to Members. Members will be required to book relevant trades in LMEsmart.

8. Members should not trade Contracts in Cash Today (Tom), including Carries, prior to notification by LME Post-Trade Operations on their daily deferral file.
9. For the avoidance of doubt, the information in paragraphs 4 to 8 above overrides the last sentence of para 19 of Notice 22/064.

Revised Trading Hours for Nickel

10. Notice 22/064 confirmed that the Nickel market would resume with effect from 08:00 London time on 16 March. In light of market feedback, the LME has determined that the Nickel market shall, until further notice, reopen at 08:00 London time each Business Day (rather than 01:00 each Business Day). The Nickel market will enter pre-open at 07:30 each Business Day.
11. Members are advised that the LME will implement this change by applying a trade halt after the close of business and a new schedule for the following morning. This will result in all good-til-cancelled (GTC) orders being cancelled in LMEselect at 19:30 each Business Day.
12. Market participants are advised that on the Resumption Date, order submissions for any new Nickel carry combinations or outright prompts (not including the new 3-month date) not previously generated in LMEselect shall be rejected by LMEselect until market open (at 08:00).

Disruption Events Relating to R2

13. Where the LME determines that an Official Price is subject to a Disruption Event (as defined in Notice 22/064), the relevant Ring session (being R2) will be deemed a disrupted session. As a result, all Agreed Trades during this session will be null and void. Consequently, no Agreed Trades shall be entered into the Matching System and no Contracts shall be formed under the LME Rulebook or the LME Clear Rules.
14. Where Members agree to price-code trades (e.g. guaranteed Official Price orders) conditional on a price being discovered without a Disruption Event, they may reverse these trades.

Queries

15. Members should direct any general questions relating to this Notice to the LME Relationship Management team at RM@lme.com.

James Cressy
COO

cc: Board directors
Special Committee
Nickel Committee
User Committee