

LME Liquid Instruments and Minimum Volume Thresholds (draft)



1 Introduction

The purpose of this document is to provide an indicative draft of the potential Minimum Volume Thresholds (“**MVT**”) and outline the contracts to which they would be applicable to (“**LME Liquid Instruments**”). It should be read in conjunction with the Consultation Notice 25/083 (the “**Consultation**”) and the proposed amendments to the LME Rulebook. This document forms part of the set of supporting documentation provided to assist the market in assessing the full impact of the potential introduction of the minimum volume threshold rules (the “**MVT Rule**”).

For the avoidance of doubt, there should be no assumption that there will be future consultations on revisions to the parameters of the MVT Rule if the LME were to decide to implement it following the consultation. Nothing in this document should be taken as indicating such future intention or commitment on the part of LME. Contracts, prompt dates and figures are provided on an indicative basis only.

2 LME Liquid Instruments

As proposed in the Consultation, LME Liquid Instruments would refer to the Contract and Prompt Date subject to a Minimum Volume Threshold as determined by the Exchange and published by Notice or otherwise from time to time.

The initial LME Liquid Instruments where the MVT would be applicable would be comprised of a set of instruments involving a limited number of prompt dates¹ on the most liquid base metals² contracts:

- monthly outright (or 3-month) contracts out to month 6,
- any spreads where both legs involve a monthly contract out to month 6 or the 3-month contract

The MVT Rule would only apply to a limited set of prompts and instruments³, as summarised below:

	Aluminium, Copper, Lead, Zinc, Nickel (USD futures)
Monthly outrights (M1,M2....M6)	✓
3M outright	✓
Any spread between 3M and any monthly from M1-M6 (and between those monthlies)	✓

¹ The prompt dates include: M1-M2, M1-M3, M1-M4, M1-M5, M1-M6, M2-M3, M2-M4, M2-M5, M2-M6, M3-M4, M3-M5, M3-M6, M4-M5, M4-M6, M5-M6, M1-3M, M2-3M, M3-3M, 3M-M3, 3M-M4, M4-3M, 3M-M5, 3M-M6.

² Aluminium, Copper, Zinc, Lead, Nickel futures only for Member-to-Member trades and Member-to-Client trades in USD.

³ Not applicable to Tin, Cobalt, Aluminium Alloy, NASAAC, Cash settled contracts, premiums, MAFs, Options, and cash outright trades, or spread trades from cash to other prompt dates in order to support the cash price.



3 Minimum Volume Thresholds

The proposed levels at which the MVT would be set on the LME Liquid Instruments set out below.

	Minimum Volume Threshold
Aluminium	15
Copper	10
Lead	10
Zinc	10
Nickel	5

The LME reserves the right to update these figures from time and time by Notice.