

LME Update on Enhancing Liquidity



SETTING THE GLOBAL STANDARD

What are we doing and why?

In September 2024, the LME issued a white paper outlining a package of measures that will modernise the LME's market structure, boost transparency and price competition, while protecting the unique features of its market that serve the physical metal communities. Having engaged widely with our stakeholders, we are now setting out more detail on our next steps and longer-term roadmap.

Enhance transparency

Ensure fairness

Support the physical market

Increase price competition

Liquidity growth

Future-ready

Key measures

We will use a phased approach to implement new measures to ensure market participants are fully prepared for these structural changes.

Phase 1

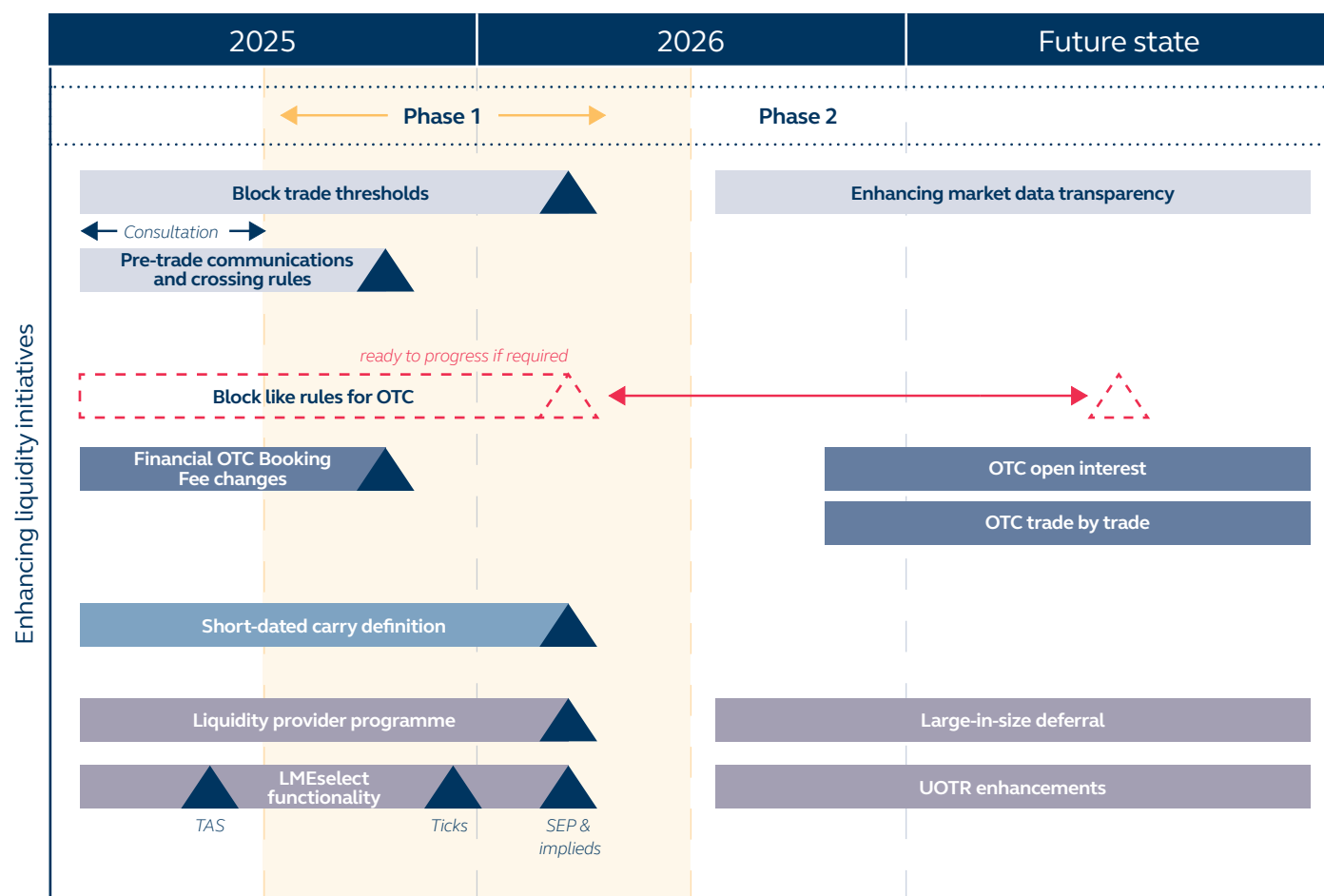
Phase 2

Execution and booking for LME contracts	Block trade thresholds	Enhancing market data transparency
	Pre-trade communications and crossing rules	
OTC market considerations	ready to consult if required	
	Block like rules for OTC	
	★ Financial OTC Booking Fee changes	OTC transparency (trades and open interest)
		Market data fees for OTC platforms
Protecting the physical market	Exclude cash and daily dates from block thresholds	
	★ Short-dated carry definition change	
Enablers	LMeselect functionality (GTCs, trade-at-settlement (TAS), tick size changes)	LMeselect functionality (SEP, implieds)
	Liquidity provider programme	Large-in-scale deferral
		UOTR enhancements

ready to consult if required

Key ★ new measure not in 2024 white paper

Enhancing liquidity – indicative timeline



Purely indicative and subject to consultation and any necessary regulatory approvals

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