

To: All members and other interested parties

Ref: 25/194

Classification: Trading

Date: 27 October 2025

Subject: **LMESELECT TICK SIZE CHANGE**

Summary

1. This Notice advises members and other market participants on the roll out of changes to tick sizes for certain spread instruments on LMEselect.

Background

2. In the White Paper on Enhancing Liquidity (the “**White Paper**”, see LME Notice 24/240) the LME outlined its intention to revise tick sizes for certain spread instruments. This approach is designed to foster healthier market dynamics by incentivising positive behaviour, encouraging liquidity to pool and enhancing transparency of volume at depth for all market users.
3. The LME will keep the revised tick sizes under active review to ensure it continues to support optimal market outcomes and trading efficiency.

Revised Tick Sizes

4. A more granular tick size will be applied for any spread where both legs are within the 3M date, and the instrument is not a 3W-3W or 3M-3W¹, referred to in this Notice as “**Small Tick Spreads**”. This will mean that certain instruments like Tom-next and daily-to-daily spreads (also known as broken dated carries) will continue to have more granular tick sizes.
5. All other spread instruments including all 3W-3W or 3M-3W anywhere on the curve, as well as any instrument where any leg is beyond the 3M date, will have a larger tick size. This Notice refers to these instruments as “**Large Tick Spreads**”. This will ensure that for all 3W-3W or 3M-3W spreads there is a larger (less granular) tick better suited to the liquidity profile of those instruments and the need to support liquidity pooling and avoid potential negative trading behaviours. Appendix 1 provides a diagram detailing the logic for assigning the tick sizes. This logic ensures that instruments will only move from larger to smaller tick sizes over time.
6. The tick size change applies to spread instruments for futures contracts on LMEselect for Aluminium, Copper, Nickel, Zinc, Lead and Tin. The new tick values are detailed below.

Implementation timelines

7. Friday 31 October 2025 – revised tick sizes will be available in Market Test B (“MTB”) environment for participants to complete testing.
8. Tuesday 20 January 2026 – Planned technical and commercial go-live for the revised tick sizes.

¹ Where 3M-3W is cited in this notice it also refers to 3W-3M spreads



Technical Details

- On go-live, existing GTC / GTD orders with misaligned tick sizes will be rejected upon reload, and any new orders or modifications with misaligned tick sizes will be rejected on entry.
- The revised tick size change will apply to 3M–3W and 3W–3W spreads for the six base metals, and to any spread where either leg is greater than the 3M prompt, including the spreads where the first leg is the 3M prompt.

Metal	Current Outright Tick Size	Current Spreads Tick Size	Large Tick Spreads (inc all 3M-3W and 3W-3W)	Small Tick Spreads
Aluminium	0.50	0.01	0.25	0.01
Copper	0.50	0.01	0.25	0.01
Zinc	0.50	0.01	0.25	0.01
Nickel	5.00	0.01	1.00	0.01
Lead	0.50	0.01	0.25	0.01
Tin	5.00	0.01	1.00	0.01

- Ongoing GTC/GTD order behaviour:** active GTC/GTD orders for the affected spreads with tick sizes outside of the revised values on the day prior to the change will be rejected upon reload due to tick size misalignment.
- The reference data for electronic strategy (carry) tradable instruments published via the Strategy Definition (302) message on the LMEsource v4 multicast market data platform and in the Tradable Instrument Data (TID) file, will reflect the updated **TickSizeID** values for spreads with revised tick sizes. Please note that all strategies merged on a given day will adopt the revised tick size, including auto-generated spreads and strategies created intraday.
- Formal conformance testing is not required.

Queries

- Any questions on revised tick sizes should be emailed to the LME Trading Operations team at tradingoperations@lme.com.
- Any queries regarding testing should be emailed to customertest@lme.com.

Jamie Turner
Chief Operating Officer & Head of Trading

cc: Board directors
All committees



Appendix 1 – diagram illustrating tick size logic

