

To: All members and other interested parties

Ref: 26/161

Classification: Trading Technical

Date: 17 June 2026

Subject: **NEW CONTRACT ANNOUNCEMENT: LME STEEL HRC SHANGHAI**

Summary

1. This Notice (the “Notice”) announces the new LME Steel HRC Shanghai Cash Settled Futures the LME plans to launch in October 2026 and sets out:
 - (a) the Contract specifications, and
 - (b) the details of the supported test window for members.

Background

2. The LME contract – LME Steel HRC Shanghai – will be cash-settled against the Steel HRC Shanghai (SHFE) monthly US dollar price. The necessary currency conversions and other pricing tasks will be undertaken by Commodity Pricing and Analysis Limited (CPAL)¹. The full CPAL methodology can be found on the CPAL website: <https://www.lmeinsight.com>
3. The commercial go-live date is planned for October 2026 (subject to regulatory non-objection) and will be confirmed by Notice (the “**Commercial Go-live Date**”).
4. The Contract specifications for the LME Steel HRC Shanghai futures are attached at Appendix 1.

Defined terms

5. Terms not otherwise defined in this Notice shall have the meanings ascribed to them in the LME Rules.

¹ In October 2025, the LME and HKEX Group announced the formation of Commodity Pricing and Analysis Limited (CPAL) as a new Group subsidiary in Dubai to serve as a pricing administrator. CPAL has since established the “LME Insight” brand, and its website provides metal markets news and analysis with a focus on transition metals and related industries



Supported test window

6. System implementations details:

Technical go-live date	October 2026
Test window for technical go-live	Mid-August to end of September
Conformance required	Optional ²
Test environment	MTB
Commercial Go-live Date	October 2026

Questions

7. Members or other interested parties with any questions in respect of the LME Steel HRC Shanghai Futures are invited to contact the LME Market Development department by email at ferrous@lme.com.
8. Please direct any technical queries regarding this Notice to the LME Technical Account Management team at tam@lme.com.
9. Please direct any testing-related queries regarding this Notice to the LME Customer Test Support team at customertest@lme.com.

MiRan Park

LME Chief Business Officer

cc: Board directors
All committees

² LME systems testing is required for ISVs and members supporting the new contract



APPENDIX 1: Contract specifications

		LME Steel HRC Shanghai	
Contract code	HS		
Contract type	Futures		
Delivery type	Cash settled		
Lot size	10 metric tonnes		
Contract period	Monthly out to 12 months		
Price quotation	US dollars per metric tonne		
Clearable currency	US dollars		
Minimum price fluctuation (tick size) per tonne		Outright	Carries
	LMEselect	\$0.10	\$0.10
	Inter-office	\$0.10	\$0.10
Termination of trading	15th of the month until 8:00 London time. If the 15th day of a month falls on a public holiday or weekend in any of the People's Republic of China, the UK or the USA, the last trading day in respect of that month shall be the last day prior to the 15th, which is a trading day in the People's Republic of China and is also a business day in the UK and the USA		
Daily settlement procedure	LME Trading Operations will calculate daily settlement values based on its published procedure		
Final settlement procedure	Final settlement, following termination of the trading for a contract month, will be based on CPAL's "Steel HRC Shanghai (SHFE) monthly USD" price ³ , which is available from 11:00 London time on the last trading day ⁴		
Trading venues	LMEselect and inter-office telephone		
Trading hours	LMEselect	01:00 - 19:00 London time	
	Inter-office telephone	24 hours a day	
Margining	Realised variation margins applied		

³ Indicative overview of CPAL's methodology for "Steel HRC Shanghai (SHFE) monthly USD". On the last trading day CPAL uses the CNY-denominated daily SHFE Hot-Rolled Coil Futures Contract settlement price published by the Shanghai Futures Exchange of the futures contract expiring in the next calendar month and will convert it into USD using the USD/CNY FX rate published once per business day at 9:15 a.m. Beijing time by the China Foreign Exchange Trade System ("CFETS"). For the avoidance of any doubt:

- In January CPAL will publish the February CPAL Steel HRC Shanghai (SHFE) Monthly USD Settlement Price using the SHFE HRC daily settlement price for the futures expiring in February.
- In February, CPAL will publish the March CPAL Steel HRC Shanghai (SHFE) Monthly USD Settlement Price using the SHFE HRC daily settlement price for the futures expiring in March.

This outline of CPAL's methodology is indicative-only and the up-to-date full methodology is published from time to time by CPAL.

⁴ Market data provided by SHFE is used under licence as a source of information for certain products and services of the LME and its affiliates. SHFE has no other affiliation with the products and services of LME and its affiliates and does not sponsor, endorse, recommend, or promote any of the products or services of LME and its affiliates. SHFE has no obligation or liability concerning the products and services of LME and its affiliates. SHFE does not guarantee (and makes no representation as to) the accuracy and/or completeness of the market data provided to LME and its affiliates and assumes no responsibility for any errors, omissions, or interruptions therein. Any agreement or arrangement between SHFE and LME and its affiliates does not constitute any commitment or warranty to third parties, nor does it create any third-party beneficiary.