An HKEX Company

To:	All members and other interested parties	
Ref:	26/218	
Classification:	Trading	Technical
Date:	09 September 2026	
Subject:	**LME STEEL HRC SHANGHAI: LAUNCH DATE**	

Summary

1. This Notice announces that the new LME Steel HRC Shanghai cash-settled futures will launch on Tuesday 27 October 2026 and sets out:

   a) the contract design details;

   b) the updated contract specifications;

   c) the details of the supported test window for Members; and

   d) the fee schedule for LME Steel HRC Shanghai.

Defined terms

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

Background

3. The LME Steel HRC Shanghai futures contract will be cash-settled against the Steel HRC Shanghai (SHFE[1]) monthly US dollar price. The necessary currency conversions and other pricing tasks will be undertaken by Commodity Pricing and Analysis Limited ("**CPAL**")[2]. The full CPAL methodology can be found on the CPAL website: https://www.lmeinsight.com

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[1] 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.

[2] 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.

4. The commercial go-live date is Tuesday 27 October 2026.

5. The contract specifications for the LME Steel HRC Shanghai futures are attached (Appendix 1).

6. The LME plans to support the launch of this contract with a dedicated liquidity provider incentive programme, which will be announced via Notice.

Contract details

7. The contract design details are as follows:

- **Contract expiry day:** The final day of trading (expiry day) for each monthly LME Steel HRC Shanghai contract will be the 15th of the month if that day is a business day in the People's Republic of China (PRC), the UK and the USA. Otherwise, the last trading day in respect of that month shall be the first day prior to the 15th, which is a trading day in the PRC, the UK and the USA.

  For example, the November 2026 LME Steel HRC Shanghai contract will expire on Friday 13 November 2026 (because 15 November 2026 is a Sunday).

- **Termination of trading and matching/clearing deadlines:** On the expiry day, trading in the front month of the LME Steel HRC Shanghai contract will terminate at 08:00 London time. The deadline for the matching and clearing of all trades in the front month contract is 10:00 London time.

- **Settlement price:** On the expiry day, the Final Settlement Price will be published by CPAL. In summary, CPAL's procedure is to take the daily settlement of the SHFE HRC contract delivering in the following calendar month and convert it into US dollars.

  For example, the November 2026 LME Steel HRC Shanghai contract will settle to the daily settlement price (as published by SHFE on 13 November) of the December 2026 SHFE HRC contract. Full details of the CPAL conversion methodology are available on the CPAL website.

- **Why the next month's SHFE contract is used:** This approach, which has been validated by market discussions, reflects the liquidity dynamics of the SHFE HRC contract, where trading volumes and open interest roll from the front active month to the second active month approximately one month before contract expiry.

- **Monthly naming convention:** The LME has adopted its standard naming convention of assigning contract months to the LME Steel HRC Shanghai contracts based on the month on which that contract settles on the LME.

As set out above, this means that market users need to bear in mind the relevant month correspondences between LME and SHFE:

LME month	Corresponding SHFE month
November	December
December	January
January	February
February	March
March	April
April	May
May	June
June	July
July	August
August	September
September	October
October	November

Fees

8. The fee schedule for the LME Steel HRC Shanghai futures contract is as follows:

LME Steel HRC Shanghai futures (per leg per side per lot)		Fees (USD)		
Contract type	**Category**	**Trading**	**Clearing**	**Total**
Exchange	Non-Ring	0.20	0.10	0.30
	Give-up	0.09	0.09	0.18
Client	All	0.20	0.10	0.30
Cash settlement fee		-	-	0.06
Cleared unallocated account trades		-	-	-
Cancellations of all cleared trades		-	-	-

Supported test window

9. System implementations details:

Technical go-live date	Monday, 26 October 2026 (not live – DPL published for next day)
Test window for technical go-live	22 September 2026 to 23 October 2026
Conformance required	Optional[3]
Test environment	MTB
Commercial go-live date	Tuesday, 27 October 2026

Questions

10. Members or other interested parties with any questions in respect of the LME Steel HRC Shanghai Futures are invited to contact the LME Commercial Strategy & Partnerships department by email at ferrous@lme.com.

11. Please direct any technical queries regarding this Notice to the LME Technical Account Management team at tam@lme.com.

12. 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

[3] 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: $0.25 / $0.25 Inter-office: $0.01 / $0.01
Termination of trading	15th of the month at 08:00 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 trading for a contract month, will be based on CPAL's "Steel HRC Shanghai (SHFE) monthly USD" price[4], which is available from 11:00 London time on the last trading day
Contract month designation	On the expiry day, the settlement price will be published by CPAL. In summary, CPAL's procedure is to take the daily settlement of the SHFE HRC contract delivering in the following calendar month and convert it into US dollars. The LME has adopted its standard naming convention of assigning contract months to the LME Steel HRC Shanghai contracts based on the month on which that contract settles on the LME. For clarity, the LME June contract expiring on 15 June settles against the July CPAL Steel HRC Shanghai (SHFE) price that is calculated using the SHFE HRC July futures daily settlement price.
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

[4] 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 spot 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.