

To: All Members and other interested parties

Ref: 26/248

Classification: Trading General

Date: 8 October 2026

Subject: **PRICING PROCEDURES FOR CASH-SETTLED FUTURES**

Summary

1. With effect from 27 October 2026, this Notice (the “**Notice**”) replaces LME Notice 23/190 dated 31 October 2023 (*PRICING PROCEDURES FOR CASH-SETTLED FUTURES*) and LME Notice 21/218 dated 04 November 2021 (*Final Settlement Prices for Cash-Settled Futures*).
This Notice sets out the pricing methodology and procedures that The London Metal Exchange (“**LME**”) will follow in determining the Cash-Settled Futures Daily Settlement Price (“**Daily Settlement Price**”) for all Cash-Settled Futures.
The Notice also details the Cash-Settled Future Index, or for LME Steel HRC Shanghai the ‘Closing Settle’ that will be used by the LME as the Cash-Settled Futures Final Settlement Price (“**Final Settlement Price**”) for each of the Cash-Settled Futures.

Defined Terms

2. Capitalised terms not otherwise defined in this Notice shall have the meaning ascribed to them in the Rules and Regulations of the LME (“**LME Rulebook**”). All times set out in this Notice shall refer to prevailing UK time.

Cash-Settled Futures

3. The Special Contract Rules for the Cash-Settled Futures are set out in Part 6C (Special Contract Rules for Cash-Settled Futures – Ferrous) and Part 6D (Special Contract Rules for Cash-Settled Futures – Non-Ferrous) of the LME Rulebook.

Methodology and timing

4. The Daily Settlement Price will, for each tradeable Prompt Date for each Cash-Settled Future, (pursuant to Regulation 5.6 of Part 3 of the LME Rulebook), typically be determined using a volume weighted average price (“**VWAP**”). The VWAP will utilise transactions executed on LMEselect, subject to the minimum volume threshold being met (see paragraph 9 below). The prices will be determined by the LME Trading Operations team using the procedures set out in this Notice.

VWAP process

5. The Daily Settlement Prices will each be calculated on the basis of a VWAP over a 5 minute pricing period. The start and end time of each VWAP window is set out below, along with the approximate times by which the LME will publish each Daily

Settlement Price. The VWAP calculation and resulting value will subsequently be reviewed by the LME Trading Operations team to ensure that the VWAP inputs are appropriate. Daily Settlement Prices for all Prompt Dates (i.e. all tradable months) will be published to market participants through LME licensed data vendors. The LME will also notify market participants, via an LMEselect market message, when each Daily Settlement Price is available.

<u>Contract</u>	<u>VWAP window</u>	<u>Approximate publication time</u>
<u>Cash-Settled Futures – Non-Ferrous</u>		
LME Alumina (Platts)	17:20 – 17:25	17:40
LME Lithium Hydroxide CIF (Fastmarkets MB)	15:00 – 15:05	15:20
LME Cobalt (Fastmarkets MB)	16:50 – 16:55	17:10
LME Molybdenum (Platts)	16:50 – 16:55	17:10
LME Aluminium UBC Scrap US (Argus)	17:20 – 17:25	17:40
LME Aluminium Premium Duty Paid US Midwest (Platts)	17:20 – 17:25	17:40
LME Aluminium Premium Duty Paid European (Fastmarkets MB)	16:55 – 17:00	17:15
LME Aluminium Premium Duty Unpaid European (Fastmarkets MB)	16:55 – 17:00	17:15
<u>Cash-Settled Futures – Ferrous</u>		
LME Steel HRC Shanghai	14:55 – 15:00	15:15
LME Steel CFR Scrap (Platts)	16:25 – 16:30	16:45
LME Steel FOB Rebar (Platts)	16:25 – 16:30	16:45
LME Steel HRC FOB China (Argus)	15:45 – 15:50	16:05
LME Steel Scrap CFR India (Platts)	15:45 – 15:50	16:05
LME Steel Scrap CFR Taiwan (Argus)	15:45 – 15:50	16:05
LME Steel HRC NW Europe (Argus)	16:25 – 16:30	16:45
LME Steel HRC N. America (Platts)	16:25 – 16:30	16:45

6. The following table provides an illustrative example of how the VWAP calculation operates (where the minimum volume threshold (see paragraph 8) has been met):

<u>Lots</u>	<u>Price (USD)</u>	<u>Tonnes per lot</u>	<u>Contract value (USD)</u>
10	\$301.00	10	\$30,100.00
8	\$302.00	10	\$24,160.00
7	\$305.00	10	\$21,350.00
1	\$303.00	10	\$3,030.00
16	\$304.00	10	\$48,640.00
18	\$306.00	10	\$55,080.00
60			\$182,360.00
\$182,360.00 divided by number of lots (60) divided by the tonnes per lot (10)	\$303.93		

7. In the above example, the Daily Settlement Price for the relevant Prompt Date will be USD 303.93. The value resulting from this illustrative VWAP calculation will be rounded to two decimal places. In the above example, the USD 303.933 value would therefore be rounded down to USD 303.93.
8. The minimum volume threshold (“**MVT**”) requirement for the calculation of each Daily Settlement Price will (in relation to each Prompt Date) be as stated on the LME website from time to time.

Daily Settlement Price Discovery Waterfall

9. If the MVT required for the calculation of the relevant Daily Settlement Price is not reached, then the LME Trading Operations team will follow the Daily Settlement Price waterfall set out below, exercising expert judgement where necessary to ensure that a reflective Daily Settlement Price is identified:
 - The last traded price within the bid/offer on the close of the pricing period;
 - If the last traded price is outside of the bid/offer on the close of the pricing period, then the closest price to the last trade that falls within the bid/offer will be used;
 - If the contract is untraded, then the mid-point of the bid/offer on the close of the pricing period will be used. Where this is not appropriate, then the Cash-Settled Futures Daily Settlement Price will be determined by the LME in its absolute discretion using Expert Judgement. Expert Judgement would typically involve observing the last trade/valuation prior to the Pricing Period and/or refinement of the curve;
 - If the contract is untraded and there is no bid and/or offer available on the close, then the LME Trading Operations team may, in its absolute discretion, reference the last traded price, before the beginning of the pricing period, however, the LME Trading Operations team will not be obliged to discover the price at this level;
 - If the contract is untraded and there is no bid and/or offer available and

there have been no trades prior to the pricing period, then the LME Trading Operations team, may at its absolute discretion, discover the price as close as possible to the previous day's Daily Settlement Price, taking into account bids and/or offers at the close of the pricing period;

- It is typically the case that the main volumes traded will be in the nearby months and therefore establishment of the forward months out to the furthest tradeable Prompt Date shall take into account the same processes as above, but with further reference to any available spread trading information in the event of a lack of liquidity for outright trades. The most active months shall form the basis for the forward price curve in this instance and prices should be supported and referenced against price information as provided by any quoted settlement price ("**QSP**") information (see further below). QSP shall constitute an average of quoted prices provided by relevant market participants; and
 - In the event that there is no pricing information in LMEselect, particularly for the front month (month 1), then the LME Trading Operations team shall, using expert judgement, reference all available pricing information as a basis for the price curve.
10. In the event that the waterfall above results in a Daily Settlement Price that the LME Trading Operations team considers to be unrepresentative of prevailing market conditions, the LME Trading Operations team shall exercise discretion and/or expert judgement to determine the relevant Daily Settlement Price. In these circumstances, the LME Trading Operations team may, for example, have regard to all relevant market information sources (including data referred to in paragraph 9 above) and/or choose to discount any of the market information available if deemed necessary for the publication of a credible, robust and reliable price curve.

Quoted Settlement Pricing

11. Where the process as set out in paragraph 9 results in an unreflective Daily Settlement Price, the LME Trading Operations team may in its absolute discretion choose to utilise QSP values, if the LME Trading Operations team deems it appropriate. Typically, the QSP process will be used in relation to Prompt Dates for which the VWAP MVT has not been met, and no LMEselect data is available. In using the QSP process for determining the Daily Settlement Price on any Business Day, the LME Trading Operations team will look to average pricing information across all of the data obtained by the LME, having discounted outliers using expert judgement.

Expert judgement

12. Where the Daily Settlement Price process set out in this Notice results in circumstances where prices remain to be determined, the LME Trading Operations team in its absolute discretion will apply expert judgement to determine prices with regard to all relevant information sources available.
13. In the event that there is an outage on LMEselect, resulting in unavailability of LMEselect datapoints for the relevant period, the methodologies detailed in this Notice will be used to determine and publish Daily Settlement Prices, utilising the relevant aspects of the Daily Settlement Price waterfall set out in paragraph 9.

Publication

14. The approximate publication time for the Daily Settlement Price for each Cash-Settled Future is listed below:

<u>Contract</u>	<u>Provisional LMEselect message</u>	<u>Provisional prices to vendors</u>	<u>Confirmed prices to vendors</u>
Cash-Settled Futures – Non-Ferrous			
LME Alumina (Platts)	17:40	17:40	17:50
LME Lithium Hydroxide CIF (Fastmarkets MB)	15:20	15:20	17:50
LME Cobalt (Fastmarkets MB)	17:10	17:10	17:50
LME Molybdenum (Platts)	17:10	17:10	17:50
LME Aluminium UBC Scrap US (Argus)	17:40	17:40	17:50
LME Aluminium Premium Duty Paid US Midwest (Platts)	17:40	17:40	17:50
LME Aluminium Premium Duty Paid European (Fastmarkets MB)	17:15	17:15	17:50
LME Aluminium Premium Duty Unpaid European (Fastmarkets MB)	17:15	17:15	17:50
Cash-Settled Futures – Ferrous			
LME Steel HRC Shanghai	15:15	15:15	17:50
LME Steel CFR Scrap (Platts)	16:45	16:45	17:50
LME Steel FOB Rebar (Platts)	16:45	16:45	17:50
LME Steel HRC FOB China (Argus)	16:05	16:45	17:50
LME Steel Scrap CFR India (Platts)	16:05	16:05	17:50
LME Steel Scrap CFR Taiwan (Argus)	16:05	16:05	17:50
LME Steel HRC NW Europe (Argus)	16:45	16:45	17:50
LME Steel HRC N. America (Platts)	16:45	16:45	17:50

- All prices published by the LME Trading Operations team will be available for Members to retrieve on the SFTP server as a PDF document.
- This document will be available for Members to formally review as part of the Daily Settlement Price objection process.
- The objection process will commence once the prices are available on the SFTP server(see the “Provisional LMEselect message” price column above) and will last for 5 minutes. This 5 minute window is referred to as the **“Objection Period”**.
- Any objections should be sent to the LME Trading Operations team at closingprices@lme.com.
- The LME Trading Operations team will review any objections received during the Objection Period. The LME shall have no obligation to consider objections received outside the Objection Period. The LME Trading Operations team shall consider the merits of any objections and shall notify resolutions to the market as soon as is practicably possible after the end of the Objection Period:
 - (a) changes will result in a new PDF available on the SFTP server;
 - (b) no changes will result in prices being confirmed in line with the above timelines where possible; and

- (c) all changes, where appropriate, will be communicated via an LMEselect market message.
- Prices will also be made available to licensed data vendors in line with the times specified in the table above

Final Settlement Price Procedure

15. As set out in Regulation 1.10 of Part 6C (for Cash-Settled Futures – Ferrous) and Regulation 1.10 of Part 6D (for Cash-Settled Futures – Non-Ferrous) of the LME Rulebook, the LME shall specify, by way of Notice issued from time to time, the Cash-Settled Futures Index, or for LME Steel HRC Shanghai the ‘Closing Settle’, that shall be used as the Final Settlement Price for each Cash Settled Future. Accordingly, Members and other interested parties are advised that a Cash-Settled Futures Contract shall, following termination of trading of the relevant Prompt Date, be settled by reference to the relevant Final Settlement Price, which shall be the relevant Cash-Settled Futures Index, or for LME Steel HRC Shanghai the ‘Closing Settle’ set out below:

<u>Contract</u>	<u>Index provider</u>	<u>Index name</u>	<u>Value used in settlement</u>
Cash-Settled Futures – Non-Ferrous			
LME Alumina (Platts)	S&P Global Platts	Platts Alumina Fob Australia Index	Mid point
LME Cobalt (Fastmarkets MB)	Fastmarkets MB	Fastmarkets MB Cobalt standard grade free market \$/tonne in warehouse	Low point
LME Molybdenum (Platts)	S&P Global Platts	Platts Molybdenum Oxide Daily Dealer (Global) index	Mid point
LME Aluminium Premium Duty Paid US Midwest (Platts)	S&P Global Platts	Platts Aluminium Transaction Premium DDP US Midwest	Mid point
LME Aluminium Premium Duty Unpaid European (Fastmarkets MB)	Fastmarkets MB	Fastmarkets MB Aluminium P1020A in-warehouse Rotterdam duty-unpaid	Mid point
LME Aluminium Premium Duty Paid European (Fastmarkets MB)	Fastmarkets MB	Fastmarkets MB Aluminium P1020A in-warehouse Rotterdam duty paid	Mid point
LME Aluminium UBC Scrap US (Argus)	Argus	Argus Aluminium Scrap Cans (UBC) mill grade delivered US	Mid point
LME Lithium Hydroxide CIF (Fastmarkets MB)	Fastmarkets MB	Lithium Hydroxide Monohydrate 56.5% LiOH.H ₂ O min, battery grade spot price CIF China, Japan & Korea	Mid point
Cash-Settled Futures – Ferrous			
LME Steel Scrap CFR Turkey	S&P Global Platts	Platts TSI HMS 1/2 (80:20) CFR Turkey	Mid point

(Platts)			
LME Steel Rebar FOB Turkey (Platts)	S&P Global Platts	Platts Rebar, Turkish exports, FOB Turkey port	Mid point
LME Steel HRC FOB China (Argus)	Argus	Argus HRC FOB Tianjin China	Mid point
LME Steel HRC N. America (Platts)	S&P Global Platts	Platts TSI HRC US EXW Indiana	Mid point
LME Steel HRC NW Europe (Argus)	Argus	Argus HRC ex-works northwest Europe	Mid point
LME Steel Scrap CFR Taiwan (Argus)	Argus	Argus HMS 1/2 (80:20) containerised CFR Taiwan	Mid point
LME Steel Scrap CFR India (Platts)	S&P Global Platts	Platts Shredded Scrap CFR Nhava Sheva	Mid point
LME Steel HRC Shanghai	CPAL	CPAL Steel HRC Shanghai (SHFE) monthly USD	Closing Settle

16. The LME will receive the Cash-Settled Futures Indices at the dates and times listed below, with the confirmed Final Settlement Price for each Cash-Settled Future to be published at the times approximated. The timing of the publication of the Final Settlement Prices is subject to the successful receipt of the prices from the index, or for LME Steel HRC Shanghai, (SHFE) the 'Closing Settle' providers:

<u>Contract</u>	<u>Relevant Jurisdiction</u>	<u>Index receipt date</u>	<u>Index receipt time</u>	<u>Reference Price Publication Date</u>	<u>Reference Price – Publication Time* (UK time)</u>
Cash-Settled Futures – Non-Ferrous					
LME Alumina (Platts)	UK	Last Business Day of each calendar month	15:00	Last Business Day of each calendar month	17:50
LME Cobalt (Fastmarkets MB)	UK	Last Business Day of each calendar month	15:00	Last Business Day of each calendar month	17:50
LME Molybdenum (Platts)	UK	Last Business Day of each calendar month	17:00	Last Business Day of each calendar month	17:50
LME Aluminium Premium Duty Paid US Midwest (Platts)	USA	First Business Day following the last Business Day of each calendar month	00:30	First Business Day following the last Business Day of each calendar month	17:50

LME Aluminium Premium Duty Unpaid European (Fastmarkets MB)	UK	Last Business Day of each calendar month	16:00	Last Business Day of each calendar month	17:50
LME Aluminium Premium Duty Paid European (Fastmarkets MB)	UK	Last Business Day of each calendar month	16:00	Last Business Day of each calendar month	17:50
LME Aluminium UBC Scrap US (Argus)	USA	First Business Day following the last Business Day of each calendar month	14:00	First Business Day following the last Business Day of each calendar month	17:50
LME Lithium Hydroxide CIF (Fastmarkets MB)	UK	Last Business Day of each calendar month	15:00	Last Business Day of each calendar month	17:50
<u>Cash-Settled Futures – Ferrous</u>					
LME Steel Scrap CFR Turkey (Platts)	UK	Last Business Day of each calendar month	16:30	Last Business Day of each calendar month	17:50
LME Steel Rebar FOB Turkey (Platts)	UK	Last Business Day of each calendar month	16:30	Last Business Day of each calendar month	17:50
LME Steel HRC FOB China (Argus)	Singapore	Last Business Day of each calendar month	10:00	Last Business Day of each calendar month	17:50
LME Steel HRC N. America (Platts)	USA	Last Business Day of each calendar month	19:30	First Business Day following the last Business Day of each calendar month	17:50
LME Steel HRC NW Europe (Argus)	UK	Last Business Day of each calendar month	17:00	Last Business Day of each calendar month	17:50
LME Steel Scrap CFR Taiwan (Argus)	Singapore	Last Business Day of each calendar month	14:00	Last Business Day of each calendar month	17:50
LME Steel Scrap CFR India (Platts)	UK	Last Business Day of each calendar month	17:00	Last Business Day of each calendar month	17:50

LME Steel HRC Shanghai	China	15 th of the month	11:00	15 th of the month	17:50
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* Published throughout the day but in any case no later than the listed time

17. Where a Reference Price Publication Date falls on a date which is not both an LME Business Day¹ and a business day in the Relevant Jurisdiction (see below), the Reference Price Publication Date shall be adjusted to the next LME Business Day following receipt by the LME of the relevant Cash-Settled Futures Index.

For the LME Steel HRC Shanghai 'Closing Settle', if the Reference Price Publication Date falls on a date that is not a business day in either of the People's Republic of China (PRC), the UK and the USA, then it shall be adjusted to the first day prior to the 15th of the relevant month, which is a trading day in the People's Republic of China and is also a business day in the UK and the USA.

18. By way of non-exhaustive example:

- (a) Where the Reference Price Publication Date is not an LME Business Day but is a business day in the Relevant Jurisdiction, the Reference Price Publication Date shall be adjusted to the next Business Day;
- (b) Where the Reference Price Publication Date is not a normal business day in the Relevant Jurisdiction but is an LME Business Day, the Reference Price Publication Date shall be adjusted to the next LME Business Day following the LME's receipt of the relevant Cash-Settled Futures Index; and
- (c) Where the Reference Price Publication Date is not an LME Business Day or a normal business day in the Relevant Jurisdiction, the Reference Price Publication Date shall be adjusted to the next LME Business Day following the LME's receipt of the relevant Cash-Settled Futures Index.
- (d) For the LME Steel HRC Shanghai 'Closing Settle', where the Reference Price Publication Date shall be adjusted to the latest day preceding the 15th of the relevant month, which is a trading day in the People's Republic of China and is also a business day in the UK and the USA.

19. In the event of a failure of the necessary SFTP feeds, the LME's business continuity procedures stipulate alternative methods for receiving the daily and monthly Index, or for LME Steel HRC Shanghai the 'Closing Settle', Prices, either by email or by telephone.

Trading on a known Final Settlement Price

20. In certain circumstances, the relevant Cash-Settled Futures Index, or for LME Steel HRC Shanghai the 'Closing Settle', may be published prior to the last trading date and/or last trading time (see paragraph 4 above). In these circumstances, it will be possible to identify the relevant Final Settlement Price basis from the known Cash-Settled Futures Index, or for LME Steel HRC Shanghai the 'Closing Settle'. It will therefore also be possible in these circumstances to trade on LMEselect and in the inter-office market on the basis of a known Final Settlement Price.

¹ This term is defined in the LME Rulebook as Business Day.

21. These circumstances arise owing to the publication schedule of Cash-Settled Futures Indices, or for LME Steel HRC Shanghai the 'Closing Settle', being set by the relevant index, or for LME Steel HRC Shanghai the 'Closing Settle', provider (rather than the LME) and, as a result, publication dates may on occasion not align in all cases with the LME's trading calendar. Market participants are therefore invited to take note of the publication time (including relevant time zone) and date of the relevant Cash-Settled Futures Index, or for LME Steel HRC Shanghai the 'Closing Settle', and of the last trading time for the relevant Cash-Settled Future. Additionally, the LME notes that index providers may operate different publication calendars around public holidays.
22. The LME shall not be responsible for any losses that may be incurred in relation to any trading that is undertaken by a market participant after the relevant Cash-Settled Futures Index, or for LME Steel HRC Shanghai the 'Closing Settle', is known.

Disruption Events & Daily Price Limit Multiple Day Frameworks

23. The Disruption Events Framework² (as amended from time to time) and DPL Multiple Day Framework³ (as amended from time to time) (together, "**Frameworks**") apply to LME contracts that have DPLs⁴ in place. With effect from the Date of this Notice, the Cash-Settled Futures in scope of these Frameworks shall be LME Cobalt (Fastmarkets MB) and LME Steel HRC Shanghai.
24. For further information in relation to the scope and application of these Frameworks, the framework documents are available on the LME website.

General

25. Members and other interested parties with queries in respect of this Notice should contact the LME by email to: tradingoperations@lme.com.

Tom Parkin
Head of Market Oversight

cc: Board directors
User Committee
Steel Committee
Aluminium Committee
Lithium and Cobalt Committee

² As described in LME Notice 22/092 of 29 March 2022 and available at <https://www.lme.com/market-data/disruption-events>

³ As defined in LME Notice 24/134 of 02 April 2024 and as available at <https://www.lme.com/trading/volatility-controls-price-limits-and-price-bands/daily-price-limit-multiple-day-framework>

⁴ As defined in LME Notice 23/235 of 14 December 2023.