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THE LONDON METAL EXCHANGE LIMITED

FINANCIAL STATEMENTS

31st December 1988



THE LONDON METAL EXCHANGE LIMITED

(A company limited by guarantee)

FINANCIAL STATEMENTS

31st December 1988

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11 JUL 1989
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THE LONDON METAL EXCHANGE LIMITED

31st DECEMBER 1988

PRESIDENT, DIRECTORS AND ADVISORS

PRESIDENT

JK Lion, OBE

DIRECTORS

CJB Green

(Chairman)

JPA Wolff

(Vice Chairman)

RK Bagri

PA Bonner

AR Booth

ME Brown

(Chief Executive)

PCF Crowson

(appointed 31st May 1988)

EP Dablin

KC Davies

(appointed 25th May 1988)

CJ Farrow

WA Felson

(resigned 25th May 1988)

R Kestenbaum

SC Lowe

CIC Mackinnon

(appointed 7th April 1989)

D Normark

JP Pither

PH Shuman

(resigned 1st March 1989)

AUDITORS

Price Waterhouse, Chartered Accountants,
Southwark Towers, 32 London Bridge Street, London SE1 9SY.

SOLICITORS

Linklaters & Paines,
Barrington House, 59-67 Gresham Street, London EC2V 7JA.

BANKERS

Lloyds Bank plc, Mincing Lane Branch,
Plantation House, 31 Fenchurch Street, London EC3M 3LY.

THE LONDON METAL EXCHANGE LIMITED

CHAIRMAN'S STATEMENT

On 31st December 1988, The London Metal Exchange Limited completed its first calendar year of operations since taking over the management of the London Metal Exchange ("LME") from The Metal Market & Exchange Company Limited. The Profit & Loss account which forms a part of the Annual Accounts reflects satisfactory results.

There have been a number of changes to the Managing Board since my last Statement. We were delighted to welcome as our fourth invited director Mr Philip Crowson of RTZ. We were very sorry to lose Mr Warren Felson of Drexel Burnham Lambert at election but consoled by gaining Mr Ken Davies, now of Entores (Metal Brokers). More recently a "by-election" was caused by the required resignation of Mr Paul Shuman whose status had changed from Associate to Ring Dealing membership. As a result we were pleased to welcome Mr Ian Mackinnon of ED&F Man International as the latest member of your Board.

1988 proved to be a year of considerable excitement in all the LME's base metals save lead. The booming conditions which had first manifested themselves in 1987 in copper and aluminium spilled over into 1988 with dramatic movements also in the prices of both nickel and zinc.

This recovery in the fortunes of the base metals has been long overdue.

Not since 1973-74 have the producers enjoyed such buoyant conditions. The background to the resurgence of prices seems altogether more healthy than fifteen years ago. There is also today a much greater readiness of producers to use the facilities of the LME to hedge against future production. Such activities can under certain circumstances increase rather than lessen volatility. This is less the fault of the Exchange than the result of lack of understanding as to the complexity of the various uses made of the LME — so closely integrated with Trade and Industry as it is. The Board has decided to fund some research into these and related issues.

In the meantime, the LME, through its Board decisions, has a responsibility to seek continuously to improve the behaviour of the market particularly at times of stress.

To this end we shall seek to maintain our contracts closely allied to the main internationally traded qualities and shapes. The spread of international warehouse delivery points is also a vital ingredient in this strategy.

The Standard Aluminium Contract came under particular strain in June of last year. This was due partly to the lack of availability of that particular quality and partly to the reluctance of holders of high grade material to deliver, except as a last resort, against the lower grade contract.

CHAIRMAN'S STATEMENT (continued)

Since the ending of the Standard Contract in December the High Grade Contract has performed well. Trading liquidity has been improved and turnover has increased. Approval of a wide range of additional warehouse delivery points for High Grade Aluminium in Japan with effect from 19th July 1989 will promote greater confidence in the market's ability to respond physically to any unjustified backwardation pressures.

I was glad to be able to make the formal announcement of the agreement for LME warehouses in Japan at the Annual Dinner in the presence of Mr Hiromu Arimitsu, the Chairman of the Japanese Aluminium Federation, who together with his predecessor Mr Chikashi Ishii had been responsible for co-ordinating the Japanese studies and negotiations with the LME and the various Japanese authorities, in particular the Ministry of Finance, and of course the warehouse companies themselves.

We continue to investigate the feasibility of warehouse delivery points in the USA in particular for Aluminium, Nickel and probably also Special High Grade Zinc.

After extensive consultation with Industry a Special High Grade Zinc Contract was launched and began trading on 1st September last year. It started slowly but has since picked up in activity especially since the beginning of 1989 when producers and custom smelters generally adopted the SHG quotation as their pricing basis for zinc in concentrate in place of the European Producer Price system.

The Board will be monitoring the respective performances of the SHG and HG Zinc Contracts which continue to trade side by side. If the development and liquidity of the SHG Contract is being impaired by the continued presence of a parallel HG Contract then the HG Contract may be eliminated entirely. Measures have already been taken to restrict the HG Contract in favour of SHG.

A working committee formed last year recommended the introduction of a Tin Contract and at the April 1989 meeting the board approved the introduction of a High Grade Contract which will start trading on 1st June of this year. The trading currency will be US Dollars.

By a happy conjunction of events, in March 1989 following a lengthy trial, Mr Justice Webster delivered his Judgement in the action commenced by Shearson Lehman against (inter alia) The Metal Market & Exchange Company Limited and members of the Committee of the old Exchange.

I am pleased to report that in his Judgement, Mr Justice Webster entirely vindicated the actions taken by the Committee and the Board of The Metal Market & Exchange Company Limited in relation to the Tin Crisis which resulted from the default of the ITC in October 1985. Although that decision may still be appealed, it is appropriate that this company place on record its congratulations to the "old Board", those members of the Committee who were parties to the action commenced by Shearson Lehman, and to the old Board's advisors on a battle well fought and won.

CHAIRMAN'S STATEMENT (continued)

The countries which were contributors to the ITC should now settle honourably its debts with the brokers and bankers involved.

Nickel put in quite the most spectacular performance during 1988. Indeed intervention by the Board was necessary on 26th February when hectic demand for cash metal at the close of the midday market failed to reveal a seller. After temporary suspension the Board agreed not to issue official cash quotations that day and imposed a limit on the daily backwardation of US \$150 per tonne per market day. The background to the incident was one of genuine physical shortage which caught the market unawares. In retrospect it was very much of an aberration. Despite some volatility the Nickel Contract has since performed well. Nonetheless there are no doubt some improvements to be made to this contract. To this end a Nickel Study Group has been formed.

The Standard Copper Contract has at long last been put to rest. It died of natural causes.

Silver too will close at the end of June. The LME cannot compete for trade hedging against the uncleared principal to principal contract of the London Silver Market nor with the cash cleared market of Comex which so favours the speculator and fund money.

At the Annual Dinner on 11th October we were delighted to welcome as our guest speaker the

internationally distinguished figure of Viscount Etienne Davignon at that time also President-elect of the Societe General de Belgique.

Also over the period 1988 and to date we have had the pleasure of visits to the Exchange by two successive Lord Mayors of London. Firstly Sir Greville Spratt in July last year and secondly Sir Christopher Collett in April of this year.

There have been many other distinguished visitors to the Exchange throughout the year most of whom have been referred to in the LME's still somewhat irregular but now much more professionally produced newsletter the "Ringsider".

Whilst on the subject of publicity, there has been great demand for the new LME "fact pack" and an updated version of the LME video should be available by the early summer.

The LME also staged its own first seminar at the International Press Centre on the subject of zinc and the new Special High Grade Contract. This innovation was well received and attended by over 250 people.

More such conferences or seminars will be organised by the LME to take place also overseas.

The LME has maintained a steady and regular dialogue with The Securities and Investments Board (SIB) and it appeared at the end of last year that we were reaching a proper accommodation for the special areas of our concern.

THE LONDON METAL EXCHANGE LIMITED

CHAIRMAN'S STATEMENT (continued)

But, early in January 1989 there emerged details of the conditions negotiated by the US Commodity Futures Trading Commission with SIB under which our members would be permitted to deal with US customers. Aside from certain issues of a jurisdictional nature there is a provision inhibiting UK brokers from offering the option of non-segregation to US customers.

Because of the LME's system of settlement of differences only on the due date of contracts, great difficulties are likely to arise from LME brokers with US customers, certain to lead to higher costs for such customers.

Your Board has engaged legal advice both here and in the US in order to seek mitigation or favourable amendment of the conditions proposed by the CFTC.

In addition there are now emerging further regulatory proposals from the SIB which may similarly operate adversely on LME brokers. It is not clear what the effects on LME members are likely to be. Your Board has engaged expert accounting and legal advice so as the better to respond to these proposals from the SIB.

Finally it is with deep regret that we have to record the decision of Michael Brown to retire as Chief Executive of the Exchange at the end of this year. Full tribute to his skill, hard work and contribution to the LME over the years will be paid in next year's Statement. In the meantime we thank him and all the other members of the staff of the Exchange for their efforts, achievements and loyalty over this past eventful year.

CJB Green
Chairman

10th May 1989

DIRECTORS' REPORT

The directors submit their annual report to the members together with the audited financial statements for the year ended 31st December 1988.

ACTIVITIES

The Company's main activity is the provision of administrative and other services to its members in operating the London Metal Exchange and the maintenance of proper standards in business conducted on the Exchange in accordance with its rules and regulations and with Schedule IV to the Financial Services Act 1986.

RESULTS

The profit before taxation for the year ended 31st December 1988 was £1,252,980 (5 months ended 31 December 1987 — £464,909) and £755,508 (5 months ended 31 December 1987 — £234,377) after accounting for taxation. The directors do not recommend the payment of a dividend.

DIRECTORS

The directors of the Company who served during the year are given on page 1.

The members of the board retiring by rotation in accordance with the Articles of Association are Messrs AR Booth, PA Bonner and SC Lowe.

FIXED ASSETS

Movements in fixed assets are shown in note 7 to the accounts.

FUTURE DEVELOPMENTS

Future developments are outlined in the Chairman's statement.

DIRECTORS' REPORT (continued)

AUDITORS

Price Waterhouse have expressed their willingness to continue in office and a resolution will be proposed at the Annual General Meeting for their reappointment as auditors.

By Order of the Board.

RK Millett
Secretary

10th May 1989

THE LONDON METAL EXCHANGE LIMITED

**AUDITORS' REPORT TO THE MEMBERS OF
THE LONDON METAL EXCHANGE LIMITED**

We have audited the financial statements on pages 9 to 16 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 1988 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Price Waterhouse
Chartered Accountants

10th May 1989

THE LONDON METAL EXCHANGE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1988

			5 months ended 31st December
	Notes	1988	1987
		£	£
GROSS INCOME	1(b),2	3,044,307	1,276,390
Administrative expenses	3	(1,913,230)	(807,337)
Interest receivable		121,903	16,748
Interest payable		—	(20,892)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,252,980	464,909
Tax on profit on ordinary activities	5	(497,472)	(230,532)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		755,508	234,377
Retained profit brought forward		234,377	—
RETAINED PROFIT CARRIED FORWARD		<u>989,885</u>	<u>234,377</u>

THE LONDON METAL EXCHANGE LIMITED

BALANCE SHEET AT 31st DECEMBER 1988

	Notes	1988 £	1987 £
FIXED ASSETS			
Tangible assets	7	362,898	472,825
CURRENT ASSETS			
Debtors	8	209,524	1,049,037
Bank balances and cash		<u>1,523,412</u>	<u>277,205</u>
		1,732,936	1,326,242
CREDITORS (amounts falling due within one year)	9	<u>(1,105,949)</u>	<u>(1,564,690)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>626,987</u>	<u>(238,448)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>989,885</u>	<u>234,377</u>
RESERVES			
Profit and loss account		<u>989,885</u>	<u>234,377</u>
		<u>989,885</u>	<u>234,377</u>

These accounts were approved by the Board of Directors on 10 May 1989.

CJB Green
JPA Wolff

} DIRECTORS

THE LONDON METAL EXCHANGE LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31st DECEMBER 1988

	1988		5 months ended 31st December 1987	
	£	£	£	£
SOURCE OF FUNDS				
Profit on ordinary activities before taxation		1,252,980		464,909
Adjustment for item not involving the movement of funds: Depreciation		<u>145,646</u>		<u>43,570</u>
FUNDS GENERATED FROM OPERATIONS		1,398,626		508,479
APPLICATION OF FUNDS				
Purchase of fixed assets	(35,719)		(516,395)	
Tax paid	<u>(1,350)</u>		<u>—</u>	
		(37,069)		(516,395)
		<u>1,361,557</u>		<u>(7,916)</u>
INCREASE/(DECREASE) IN WORKING CAPITAL				
Debtors		(907,541)		1,049,037
Creditors		1,022,891		(1,334,158)
Movement in net liquid funds: Increase in cash at bank and in hand		<u>1,246,207</u>		<u>277,205</u>
		<u>1,361,557</u>		<u>(7,916)</u>

THE LONDON METAL EXCHANGE LIMITED

NOTES TO THE ACCOUNTS AT 31st DECEMBER 1988

1. PRINCIPAL ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost convention.

(b) Gross income

Gross income represents fees, subscriptions and sundry receipts which have been shown in the profit and loss account exclusive of value added tax.

(c) Depreciation

Short leaseholds and leasehold improvements are written off over the terms of the leases. Furniture, fixtures and equipment are subject to depreciation of 20% per annum on a straight line basis. Motor vehicles are subject to depreciation at 33 $\frac{1}{3}$ % per annum on a straight line basis.

(d) Deferred taxation

Full provision is made for deferred taxation at 35% in respect of timing differences which are expected to reverse within the foreseeable future.

(e) Leasing and rental agreements

Payments under rental and leasing agreements are charged against profit in the period in which they become due.

2. GROSS INCOME

Gross income comprises the following items:

	1988	5 months ended 31st December 1987
	£	£
Contract levy		
Joining fees and subscriptions	1,895,206	942,320
Fines	940,940	331,350
Reports and pamphlets	15,500	50
Listing fees	426	14
Other receipts and dinner ticket sales	65,446	1,000
	126,789	1,656
	<u>3,044,307</u>	<u>1,276,390</u>

THE LONDON METAL EXCHANGE LIMITED

NOTES TO THE ACCOUNTS AT 31st DECEMBER 1988 (continued)

3. ADMINISTRATIVE EXPENSES

		5 months ended 31st December
	1988	1987
	£	£
Rent	203,250	84,688
Rates	121,644	49,981
Depreciation	145,646	43,570
Insurance	7,029	4,313
Repairs	52,021	16,458
Staff remuneration (Note 4)	506,665	195,610
Travelling and entertaining	80,051	23,349
Cleaning, heating and lighting	68,313	29,135
Printing and stationery and postage	39,958	28,208
Cost of annual dinner	115,126	—
Telephone and telex expenses	19,428	5,558
Professional charges — SIB	86,667	37,083
Professional charges — other	116,983	167,244
President's fees	15,000	6,250
Audit fee	9,000	5,800
Publicity	86,927	35,953
Sundry expenses	21,032	11,093
Association of Futures Brokers & Dealers	—	59,210
Security services	10,174	3,834
Leasing charges	12,316	—
Retirement payments	196,000	—
	<u>1,913,230</u>	<u>807,337</u>

4. STAFF NUMBERS AND COSTS

The average number of persons employed by the Company during the period was as follows:

	5 months ended 31st December
	1988
	1987
Administration	<u>22</u>
	<u>19</u>

The aggregate payroll cost of these persons were as follows:

	5 months ended 31st December
	1988
	1987
	£
	£
Wages and salaries	432,701
Social security costs	42,046
Other pension costs	31,910
	<u>506,665</u>
	<u>195,610</u>

THE LONDON METAL EXCHANGE LIMITED

NOTES TO THE ACCOUNTS AT 31st DECEMBER 1988 (continued)

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

The charge is based on the profit for the year and comprises:

	1988	5 months ended 31st December 1987
	£	£
UK corporation tax at 35%	565,500	230,532
Deferred taxation credit	(68,028)	—
	<u>497,472</u>	<u>230,532</u>

6. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Directors emoluments, which have been included in staff costs, amounted in the year to £82,482 (5 months to 31st December 1987 — £36,291). These emoluments related entirely to Mr ME Brown. No other director, including the chairman, received any remuneration from the Company during the year.

One employee received emoluments, excluding pension contributions, in excess of £30,000 (1987 — Nil). These emoluments were within the band £50,000 — £55,000.

7. TANGIBLE FIXED ASSETS

	Short leaseholds and leasehold improvements	Plant and machinery	Furniture, fixtures and fittings	Total
	£	£	£	£
Cost				
At 1st January 1988	440,000	38,420	37,975	516,395
Additions	—	20,610	15,109	35,719
At 31st December 1988	<u>440,000</u>	<u>59,030</u>	<u>53,084</u>	<u>552,114</u>
Depreciation				
At 1st January 1988	36,971	3,635	2,964	43,570
Charge for year	121,312	13,717	10,617	145,646
At 31st December 1988	<u>158,283</u>	<u>17,352</u>	<u>13,581</u>	<u>189,216</u>
Net book amount				
At 31st December 1988	<u>281,717</u>	<u>41,678</u>	<u>39,503</u>	<u>362,898</u>
At 31st December 1987	<u>403,029</u>	<u>34,785</u>	<u>35,011</u>	<u>472,825</u>

THE LONDON METAL EXCHANGE LIMITED

NOTES TO THE ACCOUNTS AT 31st DECEMBER 1988 (continued)

8. DEBTORS

	1988	1987
	£	£
1988 subscriptions invoiced in advance	—	758,665
Other debtors	126,388	205,274
Prepayments and accrued income	15,108	85,098
Deferred taxation (Note 11)	68,028	—
	<u>209,524</u>	<u>1,049,037</u>

1989 subscriptions were not invoiced until 1st January 1989.

9. CREDITORS (amounts falling due within one year)

	1988	1987
	£	£
Other creditors	213,553	106,802
Taxation and social security	30,460	194,277
Accruals	67,254	126,145
Deferred income relating to 1988 subscriptions	—	906,934
Corporation tax	794,682	230,532
	<u>1,105,949</u>	<u>1,564,690</u>

10. OPERATING LEASES

The company had annual commitments under non-cancellable operating leases in respect of leasehold premises analysed by date of termination of the lease as follows:

	1988	1987
	£	£
Operating leases which expire:		
within one year	63,250	—
within two to five years	12,250	75,500
after five years	140,000	140,000
	<u>215,500</u>	<u>215,500</u>

THE LONDON METAL EXCHANGE LIMITED

NOTES TO THE ACCOUNTS AT 31st DECEMBER 1988 (continued)

11. DEFERRED TAXATION

The deferred tax asset for which provision has been made calculated at 35% (1987 — 35%) is as follows:

	Provided in the accounts		Full potential liability	
	1988	1987	1988	1987
	£	£	£	£
Accelerated capital allowances	(572)	—	(572)	(450)
Short term timing differences	68,600	—	68,600	—
	<u>68,028</u>	<u>—</u>	<u>68,028</u>	<u>(450)</u>

12. MEMBERS

At 31st December 1988 the number of members of the Company by category was as follows:

Category	Number of members 31st December	
	1988	1987
I Ring Dealing	20	21
II Associate Broker Clearing	16	12
III Associate Trade Clearing	1	2
IV Associate Broker	5	5
V Associate Trade	34	27
VI Individual (formerly category VII)	18	28
Associate Overseas Trade (formerly category VI)	—	1

The extent of the guarantee provided by each member amounts to £100.

THE LONDON METAL EXCHANGE LIMITED

METAL TRADING STATISTICS

Pages 18 to 21 contain statistics relating to metal trading on the Exchange. In the period up to 31st July 1987 the Exchange was managed by The Metal Market & Exchange Company Limited.

THE LONDON METAL EXCHANGE LIMITED

METAL TRADING STATISTICS

OFFICIAL TURNOVERS FOR THE YEARS ENDED 31st DECEMBER 1985 TO 31st DECEMBER 1988

	1985 January to December	1986 January to December	1987 January to May	1987 June to December	1988 January to December
Copper — Higher Grade	1260	480	—	—	—
Copper — Standard Cathodes	7	1	—	—	—
Copper — Grade A	—	710	410	1,426	3,385
Standard Copper	—	17	4	3	1
Total Copper	<u>1,267</u>	<u>1,208</u>	<u>414</u>	<u>1,429</u>	<u>3,386</u>
Lead	<u>323</u>	<u>311</u>	<u>99</u>	<u>292</u>	<u>485</u>
Standard Zinc	212	—	—	—	—
High Grade Zinc	94	279	117	239	723
Special High Grade Zinc	—	—	—	—	13
Total Zinc	<u>306</u>	<u>279</u>	<u>117</u>	<u>239</u>	<u>736</u>
Aluminium	1,019	749	322	—	—
Aluminium 99.5	—	—	—	1,101	2,124
Aluminium 99.7	—	—	—	50	723
Total Aluminium	<u>1,019</u>	<u>749</u>	<u>322</u>	<u>1,151</u>	<u>2,847</u>
Nickel	<u>136</u>	<u>127</u>	<u>57</u>	<u>164</u>	<u>344</u>
Silver	<u>54</u>	<u>24</u>	<u>6</u>	<u>8</u>	<u>10</u>
Standard Tin	140	—	—	—	—
High Grade Tin	15	—	—	—	—
Total Tin	<u>155</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
GRAND TOTAL	<u>3,260</u>	<u>2,698</u>	<u>1,015</u>	<u>3,283</u>	<u>7,808</u>

All figures above are in 000's of lots. Nickel lots are of 6 tonnes; silver lots are of 10,000 or 2,000 troy oz; tin lots are of 5 tonnes; for all other metals, lots are of 25 tonnes.

Official turnovers since 1st June 1987 include options as well as futures and reflect trading between all Clearing Members from cash to 15 months. Official turnovers prior to 1st June 1987 include only futures trading between Ring Dealing members for cash to 3 months plus 14 days.

Official turnovers since 29th April 1988 take client cross-trades into the reckoning.

THE LONDON METAL EXCHANGE LIMITED

METAL TRADING STATISTICS (continued)

AVERAGE PRICES FOR THE YEAR ENDED 31st DECEMBER 1988

	Cash Mean	3 months Mean	Settlement
Copper — Grade A	£1,459.08	£1,351.34	£1,460.13
Standard Copper	£1,393.03	£1,207.70	£1,394.93
Lead	£367.93	£358.50	£368.40
High Grade Zinc (£)	£624.87	£612.85	£625.37
High Grade Zinc (\$)	\$1,496.80	\$1,422.06	\$1,498.36
Special High Grade Zinc	\$1,598.95	\$1,468.52	\$1,601.32
Aluminium 99.5	£1,435.50	£1,314.45	£1,437.16
High Grade Aluminium	\$2,590.56	\$2,371.61	\$2,597.77
Nickel (£)	£4,482.03	£4,199.20	£4,489.30
Nickel (\$)	\$14,267.03	\$12,697.84	\$14,256.33
Silver 10	650.3055c	662.8125c	651.2257c
Silver 2	650.2937c	662.8006c	651.2138c

The highest and lowest prices (mean) officially quoted during 1988 were as below:

	Cash high	Cash low	3 months high	3 months low
Copper — Grade A	£2,005.50 Dec	£1,119.00 Apr	£1,763.00 Dec	£1,067.50 Apr
Standard Copper	£1,910.00 Dec	£1,080.00 Apr	£1,470.00 Jan	£1,035.00 Apr
Lead	£411.50 Dec	£332.75 Apr	£401.50 Dec	£322.50 Apr
High Grade Zinc (£)	£827.50 June	£456.00 Jan	£808.50 Aug	£459.50 Jan
High Grade Zinc (\$)	\$1,697.50 Oct	\$1,259.00 Sept	\$1,570.50 Dec	\$1,110.00 Sept
Special High Grade Zinc	\$1,687.50 Nov	\$1,536.00 Dec	\$1,589.00 Dec	\$1,319.00 Sept
Aluminium 99.5	£2,349.00 June	£1,075.50 Jan	£1,787.50 June	£1,017.75 Jan
High Grade Aluminium	\$4,280.00 June	\$1,940.00 Jan	\$3,250.00 June	\$1,935.00 Jan
Nickel (£)	£4,915.00 Jan	£3,860.00 Jan	£4,687.50 Jan	£3,865.00 Jan
Nickel (\$)	\$23,850.00 Mar	\$7,865.00 Feb	\$18,837.50 Mar	\$7,705.00 Feb
Silver	775.50c July	601.50c Dec	789.50c July	616.50c Dec

All figures are either in £ or \$ per tonne, or cents per troy ounce.

THE LONDON METAL EXCHANGE LIMITED

METAL TRADING STATISTICS (continued)

WAREHOUSE STOCK MOVEMENT, IN LOTS, FOR THE YEAR JANUARY — DECEMBER 1988

	Grade A Copper	Standard Copper	Total Copper	Lead	Nickel	Silver 10	Silver 2	Total Silver
1st January	1,567	133	1,700	750	682	1,917	349	2,266
Delivered in	14,223	192	14,415	3,748	7,457	232	33	265
Delivered out	13,191	293	13,484	2,038	7,715	692	184	876
31st December	2,599	32	2,631	2,460	424	1,457	198	1,655

	High Grade Zinc	Special High Grade Zinc	Total Zinc
--	--------------------	-------------------------------	---------------

1st January	(1,157)	—	(1,157)
Jan—Sept incl:			
Delivered in	(1,625)	—	(1,625)
Delivered out	(1,610)	—	(1,610)
End of September	1,157	15	1,172
Delivered in	502	1,294	1,796
Delivered out	1,082	267	1,349
31st December	577	1,042	1,619

	Aluminium 99.5	Aluminium 99.7	Total Aluminium
1st January	1,422	1,937	3,359
Delivered in	6,657	16,094	22,751
Delivered out	8,079	12,562	20,641
31st December	—	5,469	5,469

Note: After 16th December, 99.5 aluminium ceased to form part of LME stock.

THE LONDON METAL EXCHANGE LIMITED

METAL TRADING STATISTICS (continued)

NOTES

1. The Grade A Copper and Standard Copper contracts superseded the High Grade Copper and Standard Copper Cathodes contracts on 1st April 1986 in 3 months trading and 30th June 1986 for cash.
2. Cash and 3 months trading of High Grade Zinc commenced on 3rd September 1984. Futures trading in Standard Zinc ended on 2nd September 1985 and cash trading on 30th December 1985.
3. The major currency for zinc was sterling until 31st August 1988 and US dollars thereafter.
4. Special High Grade Zinc began trading on 1st September 1988.
5. Forward trading of High Grade ('99.7') Aluminium began on 1st June 1987. Cash trading commenced on 27th August 1988.
6. Standard Aluminium ceased trading, 3-months on 22nd September 1988 and cash on 19th December 1988.
7. The major currency for nickel was sterling until 1st February 1988, when it changed to US dollars.
8. Silver trading commenced on a US-dollar basis from 1st July 1987 and ceased trading on a sterling basis from 30th September 1987.
9. 'Silver 10' represents Silver on the 10,000 troy ounce contract. 'Silver 2' represents Silver on the 2,000 troy ounce contract.
10. Tin trading was suspended from 24th October 1985.