

LME Placates Critics With Greater Transparency

By [The Moscow Times](#)

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The London Metal Exchange, or LME, is planning to publish new information about the future positions of hedge funds and other traders, responding to calls for greater transparency from, among others, struggling aluminum producer RusAl, the Financial Times reported.

The LME has dropped its resistance to publishing detailed reports on the number of commodity contracts held by hedge funds, commercial users and other market participants, the FT said, citing sources familiar with the discussions.

"We are aware of the market comment on this matter. The LME welcomes and will continue to listen to and consider market views," said an official at Hong Kong Exchanges and Clearing, which bought the LME for \$2.2 billion last December.

The LME, the world's largest market place for industrial metals, has faced criticism for under-regulating its market and allowing long queues to grow in its warehousing network

that has resulted in a flurry of lawsuits in the U.S..

Last month, Russia's United Company RusAl and U.S.-based Alcoa sent open letters to the LME, urging it to match its U.S. rival, the CME Group, in providing more data about the makeup of investors' positions.

Currently, the LME provides open interest data and limited long-short positioning data showing when large positions emerge, but it does not show whether positions are held by speculators or industrial interests.

In the U.S., the Commodity Futures Trading Commission requires exchanges to release detailed positioning information. The resulting Commitment of Traders weekly reports are closely watched by investors.

Hong Kong Exchanges and Clearing is already taking a tougher regulatory stance over its new market, proposing an overhaul of the LME's controversial warehousing system which is due to be voted on this month.

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