Aluminium Premiums

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Good morning,

Monday was another quiet day on the premiums, with just two trades clearing on the CME block.

On the Midwest premium, Oct22 AUP printed at 36.50 in 40x, a move down from where the back end of the curve had previously been trading. There was also interest to sell both June and 2H but no bids were seen.

On the euros, activity was once again focused on the front end duty unpaid with Q2 trading at 420 in 20x with selling cares on the follow. On the duty paid, Q2 v 3 EDP and April vs Q2 EDP were both bid at 15b in 50x and 17x v 51x respectively but not countered. There was also interest to sell Q3 outright but bids further down the curve were hard to come by.

While aluminium hasn't been targeted by sanctions, Rusal -- which needs bauxite and alumina to feed its plants -- faces disruption to its supply chains as Russia becomes isolated from the world economy. Rusal has also slashed output from its Nikolaev alumina refinery in Ukraine due to logistical and transport challenges arising from the war. Aluminium jumped as much as 5.7% to \$3,574 a ton and closed at \$3,521 on the London Metal Exchange. Prices hit a record earlier this month and are up 25% this year. Rusal's shares dropped 5.4% in Hong Kong.

Monday's Trades:

AEP Q2 @ 420 in 20x

AUP Oct22 @ 36.50 in 40x

AUP Curve	Bid	Offer	Val
Q222	38.50	38.75	38.63
Q322	37.40	37.55	37.48
Q422	36.25	36.40	36.33
2H22	36.85	37.00	36.93
1H23	35.50	35.65	35.58
Cal23	35.15	35.30	35.23

EDP Curve	Bid	Offer	Val
Q222	525	535	530
Q322	500	510	505
Q422	490	500	495
2H22	495	505	500
Cal23	450	460	455

AEP Curve	Bid	Offer	Val
Q222	415	425	420
Q322	405	415	410
Q422	395	405	400
2H22	400	410	405
Cal23	330	340	335

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