

FIS Aluminium Premiums

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Good morning,

Tuesday saw another quiet day on the premiums with just one trade clearing on the CME block.

On the Midwest premium, there were offers down the curve but no bids were found. Q2 was offered at last done—39.25 in 20x, with 2H offered at 37.50 and Cal23 at 35.50 in 10x. Spot rose 10 points to 40.10.

On the euros, Apr vs May EDP traded at 30b in 40x (520/490), with April bid at 515 independently in 20x but not countered. Further down the curve there was interest to sell Q4 at 495 in 20x and ongoing spread interest for Q2 v 3 at 15b in 50x. On the duty unpaid, 2H was offered at 410 in 20x with little engagement.

United Co. Rusal International PJSC delivered a stark assessment of the threats the aluminium giant faces amid Russia’s growing economic isolation, from potential raw materials shortages to the irreplaceable loss of markets and higher financing costs. The world’s No. 3 aluminium producer also said investments may be postponed due to equipment shortages. EU aluminium importers could pay about 10 euro cents for each euro of aluminium imported when the future EU Cross-Border Adjustment Mechanism is fully in place and if the Emissions Trading Scheme (ETS) allowance price remains at current levels (75 euros a metric ton). The tax would heighten decarbonization pressure on exporters willing to remain competitive on the EU market, in particular Russia

Tuesday’s Trades:

EDP
Apr v May EDP @ 30b in 40x (520 v 490)

| AUP Curve | Bid | Offer | Val |
|-----------|-------|-------|-------|
| Q222 | 39.15 | 39.25 | 39.20 |
| Q322 | 37.50 | 37.65 | 37.58 |
| Q422 | 36.00 | 36.15 | 36.08 |
| 2H22 | 36.75 | 36.90 | 36.83 |
| 1H23 | 35.50 | 35.65 | 35.58 |
| Cal23 | 35.00 | 35.15 | 35.08 |

| EDP Curve | Bid | Offer | Val |
|-----------|-----|-------|-----|
| Q222 | 520 | 530 | 525 |
| Q322 | 495 | 505 | 500 |
| Q422 | 485 | 495 | 490 |
| 2H22 | 490 | 500 | 495 |
| Cal23 | 430 | 440 | 435 |

| 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 |