



Aluminium Premiums

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

Good morning,

Friday saw four premiums trades clear on the CME block.

On the Midwest premium, activity was focused on the front end. May AUP was bid and hit at 38.50 in 15x and offered on at this level in 25x, with April offered at 39.75 in 20x but not countered. April vs May AUP was offered and lifted at 1.25b in 100x and May vs June at 0.25b in 40x, April vs June was later offered and lifted at 1.5b in 75x with buying cares on the follow.

There were no cleared trades for the euro premiums. On the duty paid, there was ongoing spread buying interest for Apr vs Q3 at 15b and Q2 v 3 at 15b in 50x. Q3 EDP was offered at 500 and Q4 at 495 both in 20x with no firm bids seen. There was general appetite for AEP down the curve but no firm levels were given.

In physical news, China's major aluminium manufacturers such as Chalco are set to further reduce CO2 emissions as part of Beijing's bid to achieve carbon neutrality by 2060. The metal's supply chain, which includes alumina refining, aluminium smelting and recycling, accounted for 5% of domestic emissions in 2020. Rusal's sales volume of value-added products (VAP) may continue to grow this year, following an 18.1% year-over-year increase in 2021, though geopolitical tensions may add uncertainties. The company has been investing to boost its VAP sales, which can fetch a premium over commodity-grade products in terms of the LME aluminium price

Friday's Trades:

AUP

May22 @ 38.50 in 15x

Apr vs May @ 1.25b in 100x

May vs June @ 0.25b in 40x

Apr vs June @ 1.5b in 75x

AUP Curve	Bid	Offer	Val
Q222	38.95	39.10	39.03
Q322	37.75	37.90	37.83
Q422	35.90	36.05	35.98
2H22	36.85	37.00	36.93
1H23	35.50	35.65	35.58
Cal23	35.00	35.15	35.08

EDP Curve	Bid	Offer	Val
Q222	520	530	525
Q322	490	500	495
Q422	480	490	485
2H22	485	495	490
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

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com