

FIS Aluminium Premiums

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Good morning,

Friday was a quiet day on the premiums, just one trade cleared on the CME block.

On the Midwest premium, Q3 AUP printed at 35.00 in 10x with selling cares on the follow. Cal23 got to 31.25/32.00 in 20x with 1H23 offered at 32.75 in 5x but neither tenor trading. Spot premium dropped 20 points to 38.70.

On the euro premiums, most inquiries were for the duty unpaid contract. May AEP got to 497/505 in 50x with June offered at 485 in 10x and Q4 at 400 in 40x but no trades were seen. On the duty paid, May EDP was offered at 600 in 30x but not countered and there was general selling interest for '22 periods.

While domestic demand continues to suffer, exports of aluminium from the world's biggest producer rose to their second-highest level ever of about 597,000 tons, fuelled by growing shortages outside China due to disruptions to supply caused by Russia's invasion of Ukraine. Traders in China have also ramped up sales of alumina to Russia, which faces a shortfall of the feedstock for aluminium because of war and sanctions. Chinese commodity demand should improve in the second half of 2022, underpinned by a pickup in Chinese infrastructure construction activity and pent-up demand as Covid lockdowns ease, according to UBS analyst Lachlan Shaw.

Fridays Trades:

AUP
Q322 @ 35.00 in 10x

AEP	Bid	Offer	Val
May'22	495	505	500
Jun'22	445	455	450
Jul'22	430	440	435
Q322	425	435	430
Q422	410	420	415
2H22	417	427	422
1H23	405	410	407.5
Cal23	395	405	400

AUP Curve	Bid	Offer	Val
May'22	36.95	37.10	37.03
Jun'22	36.00	36.15	36.08
Jul'22	35.80	35.95	35.88
Q322	34.90	35.05	34.98
Q422	33.90	34.10	34.00
2H22	34.60	34.75	34.68
1H23	32.65	32.80	32.73
Cal23	31.40	31.55	31.48

EDP	Bid	Offer	Val
May'22	590	600	595
Jun'22	535	545	540
Jul'22	485	495	490
Q322	480	490	485
Q422	455	465	460
2H22	468	478	473
1H23	430	440	435
Cal23	410	420	415

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AEP	Bid	Offer	Val
May'22	470	480	475
Jun'22	440	450	445
Jul'22	430	440	435
Q322	420	430	425
Q422	400	410	405
2H22	410	420	415
1H23	395	405	400
Cal23	380	390	385

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