

FIS Aluminium Premiums

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Good morning,

Thursday was a busier day on the premiums, with eleven trades clearing on the CME block,

Liquidity remained focused on the Midwest contract, with trading levels higher on the back of the Century Aluminium news. On the front end August AUP traded at 30.25 in 54x up from 29.00 yesterday. A little further out, Dec22 printed at 30.00 in 20x, up from 27.50, with Q123 trading at 29.00 in 15x then up at 29.50 in 20x and 10x left 29.00 bid in 20x on the follow. Q223 printed at 28.75 in 15x with the full cal23 strip trading twice at 27.50 in 40x and 20x respectively.

European activity remained largely focused on the front end. Sep22 AEP was offered and lifted at 390 in 20x with selling cares on the follow. Jul22 EDP printed twice at 564 in 15x and 20x and was left 545/575 in 20x on the follow. There was ongoing spread cares for July v Q422 EDP at 75b in 120x v 40x but this was not countered.

In Asian trading, three-month LME aluminium is 0.2% lower at \$2,472.50 a ton, taking one-month losses to 15%. This is amid a weaker global macroeconomic outlook. Base metals are likely to "extend losses following their recent fall caused principally by the Fed's tightening and China's economic slowdown on the back of the country's zero-Covid policy," say analysts from Fitch Solutions in a note. "A stronger U.S. dollar and weaker global economic growth will cause a significant drop in demand across base metals," they say. That said, supply-side concerns should mean prices won't fall back to their pre-pandemic levels, the analysts add.

Thursday's Trades:

AUP

Aug22 @ 30.25 54x

Dec22 @ 30.00 20x

Q123 @ 29.00 15x, 29.50 20x, 10x

Q223 @ 28.75 15x

Cal23 @ 27.50 40x, 20x

EDP

Jul22 @ 565 15x, 20x

AEP

Sep22 @ 390 20x

AUP Curve	Bid	Offer	Val
Jun'22	31.90	32.05	31.98
Jul'22	30.90	31.05	30.98
Q322	30.40	30.55	30.48
Q422	30.05	30.15	30.10
2H22	30.25	30.40	30.33
1H23	28.20	28.45	28.33
Cal23	27.50	27.75	27.63

AEP Curve	Bid	Offer	Val
Jun'22	490	505	498
Jul'22	430	440	435
Q322	390	405	397.5
Q422	375	395	385
2H22	382	392	387
1H23	385	400	392.5
Cal23	370	380	375

EDP Curve	Bid	Offer	Val
Jun'22	590	600	595
Jul'22	555	570	563
Q322	520	530	525
Q422	490	500	495
2H22	505	515	510
1H23	440	450	445
Cal23	420	430	425

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