

# FIS Aluminium Premiums

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Good morning,

Wednesday saw nine premiums trades clear on the CME block.

Activity on the Midwest premium was more muted than previous days, with just one spread trading. Q123 vs Q323 was bid and hit at 1.25b in 20x with buying cares on the follow. Nearby there was interest to buy Q422 at 26.00 in 20x but no counters were seen.

On the European premiums, the duty paid contract again was the more active of the two. On the front end, Aug22 traded at 470 in 15x (down from 480 Tuesday) with selling cares on the follow with Q422 printing 4 times at 390 in a total of 85x. 1H23 EDP traded twice at 300 in 7x and 10x with selling cares on the follow. On the unpaid, Aug22 printed at 400 in 10x with buying cares on the follow.

Industrial metals are coming under sustained pressure as headwinds gather for global growth. In China, there are worries that the country's real estate troubles are worsening rather than healing. Europe's economy is under serious threat from soaring energy costs. And Wednesday's surprisingly high print on US inflation drove the dollar high and spurred talk of an outside rate hike later this month. In physical news, Rio Tinto (RIO.L) said Wednesday it will invest \$188 million to raise the aluminium billets production capacity at its Alma smelter in Quebec, Canada, by 202,000 metric tonnes starting in May 2023.

Wednesday's Trades:

AUP

Q123 v Q323 @ 1.25b 20x (26.50 v 25.25)

EDP

Aug22 @ 470 15x,  
Q422 @ 390 15x, 25x, 20x, 25x  
1H23 @ 300 7x, 10x

AEP

Aug22 @ 400 10x

AUP Curve	Bid	Offer	Val
Jul'22	29.20	29.35	29.28
Q322	26.90	27.05	26.98
Q422	26.20	26.45	26.33
2H22	26.55	26.70	26.63
1H23	26.30	26.45	26.30
Cal23	25.00	25.15	25.08

AEP Curve	Bid	Offer	Val
Jul'22	460	470	465
Q322	385	400	392.5
Q422	375	390	382.5
2H22	380	395	387.5
1H23	285	295	290
Cal23	265	280	272.5

EDP Curve	Bid	Offer	Val
Jul'22	550	560	555
Q322	470	480	475
Q422	385	395	390
2H22	430	440	435
1H23	305	315	310
Cal23	295	305	300

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