

FIS Aluminium Premiums

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Good morning,

Tuesday was a quieter day on the premiums, with just 5 trades clearing on the CME block.

The only trade seen for the Midwest premium contract was Dec22, which was offered and lifted at 26.75 in 15x and bid on in 10x at this level. There was ongoing interest to borrow AUP spreads out to 2023 but no lending was found.

On the European premiums, the duty paid contract continued to enjoy all liquidity. 1H23 printed again at 297.50 in 10x, the level it has consistently been trading at for the last few days, with selling cares on the follow. Q323 EDP traded at 300 in 20x with the full cal23 strip later trading at the same level in 10x.

Base metal prices are rising, despite weaker economic data coming out of the U.K., with fundamentals pointing to tightness down the line, with LME Aluminium trading 1.3 % higher at \$2,416 a tonne. Weaker economic data from the U.K. in terms of inflation should point to weakness for industrial goods. For now, fundamental tightness seems to be keeping prices elevated, with prices at more "normal" levels following recent sell-offs, Stephen Innes, managing partner at SPI Asset Management says. There's been notable short-covering across copper and Aluminium by the top 10 participants in China, based on TD Securities' tracking of these participants, TD strategists say in a research report.

Tuesday's Trades:

AUP
Dec22 @ 26.75 15x

EDP
1H23 @ 297.50 10x
Q323 @ 300 20x
Cal23 @ 300 10x

AUP Curve	Bid	Offer	Val
Jul'22	28.50	28.65	28.58
Q322	26.80	26.95	26.88
Q422	26.65	26.80	26.73
2H22	26.75	26.90	26.83
1H23	26.30	26.45	26.38
Cal23	26.15	26.30	26.23

EDP Curve	Bid	Offer	Val
Jul'22	550	560	555
Q322	475	490	483
Q422	375	385	380
2H22	425	435	430
1H23	292	302	297
Cal23	295	305	300

AEP Curve	Bid	Offer	Val
Jul'22	460	470	465
Q322	385	400	392.5
Q422	365	375	370
2H22	375	385	380
1H23	285	295	290
Cal23	265	280	272.5