

# FIS Aluminium Premiums

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

Good morning,

Thursday saw eleven premiums trades clearing on the CME block.

The Midwest contract saw interest across the curve. Cal24 AUP was offered and lifted at 24.85 in 20x with selling cares on the follow, 1H23 was bid at 26.50 and Cal23 at 26.00 OCO in 20x but no counters were seen. 1H23 vs 2H23 printed at 1.15b in 9x, with Oct22-Mar23 v 2H23 offered and lifted at 1.5b in 20x total with borrowing cares on the follow.

On the European premiums, the focus was on the front end. Aug-Sep duty unpaid traded at 385 in 50x and later up at 395 in 95x total. For the duty paid contract, Aug EDP was offered and lifted at 480 in 15x and bid on at this level in 80x, with Sep22 bid at 390 in 40x but not countered. Q422 printed twice at 375 in 20x respectively with buying cares on the follow.

SHFE and LME base metals closed mostly with losses after the European Central Bank raised the interest rates by 50 basis points to curb inflation, breaking its own guidance of 25 basis points, which fuelled recession fears. Despite this LME aluminium opened at \$2,427/mt on Thursday and closed at \$2,439.5/mt, an increase of \$17.5/mt or 0.72%. On the supply side, there have been no reports of aluminium smelters suspending or reducing their production recently. The domestic aluminium ingot social inventory totalled 668,000 mt as of July 21, down 29,000 mt from last Thursday. Downstream purchases in Gongyi improved, allowing the spot discounts to narrow. The improvement of downstream consumption has led to a decrease in the social inventory of aluminium ingots. Overseas energy crisis intensified. It is expected that the short-term aluminium prices will fluctuate rangebound.

Thursday's Trades:

AUP

Cal24 @ 24.85 20x

1H23 v 2H23 @ 1.15b in 9x

Oct22-Mar23 v 2H23 @ 1.5b 5x, 15x

EDP

Aug22 EDP 480 15x

Q422 @ 375 20x, 20x

AEP

Aug-Sep @ 385 50x, 395 50x, 20x, 25x

AUP Curve	Bid	Offer	Val
Jul'22	28.50	28.65	28.58
Q322	27.00	27.15	27.08
Q422	26.90	27.05	26.98
2H22	26.95	27.05	27.00
1H23	26.85	27.00	26.93
Cal23	26.25	26,4	26.25

AEP Curve	Bid	Offer	Val
Jul'22	450	460	455
Q322	375	390	382.5
Q422	360	375	367.5
2H22	367	382	374.5
1H23	205	220	212.5
Cal23	200	215	207.5

EDP Curve	Bid	Offer	Val
Jul'22	550	560	555
Q322	465	480	473
Q422	370	380	375
2H22	420	435	428
1H23	290	300	295
Cal23	280	290	285

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