



Aluminium Premiums

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Good morning,

Tuesday was a busy day on the premiums, with 12 trades clearing on the CME block.

On the front end Midwest premiums, Nov-Dec22 AUP printed in 100x total at 26.00 with Sep-Nov left 25.85/26.00 in 25x. Further down the curve, Jan23 was bid and hit at 26.25 and Mar23 bid and hit at 26.40 in 50x with selling cares on the follow. Spot premium fell again 15 points to 25.65. Sep22 ALA printed 333 in 30x.

On the euro premiums, the majority of activity was for 2023 periods, with large volumes printing. On the front end there was spread interest, Q422 EDP vs AEP traded at 83b in 40x (373 v 290) with borrowing cares on the follow. On the duty paid, 2H23 printed at 310 in 25x. For AEP, Apr-Dec23 printed 222 in 30x and was bid on in 20x at this level. Mar-June23 AEP then traded at 260 100x and 50x, then down at 255 150x before being bid and hit at 260 in 25x and offered on.

Aluminium rose 0.7% to \$2,441 a ton on the London Metal Exchange as of 8:41 a.m. Other metals were mixed, with copper down 0.3% to \$8,094. Aluminium rose for a third day as an electricity crisis further curtailed output at European smelters, while weakening economic activity darkened the demand outlook. Aluminium producer Speira GmbH is considering cutting production at its German smelter to 50% of total capacity, as surging energy costs squeeze power-intensive industries across Europe. In China, a power crunch amid scorching temperatures has disrupted metal production, with Sichuan province shutting down all local operational aluminium smelters, or 2.4% of the country's total capacity.

Tuesday's Trades

AUP:

Nov-Dec22 @ 26.00 70x, 30x

Jan23 @ 26.25 50x

Mar23 @ 26.40 50x

EDP

2H23 @ 310 25x

Q422 EDP v AEP @ 83b 40x (373 v 290)

AEP

Apr-Dec23 @ 222 30x

Mar-Jun23 @ 260 100x, 50x, 25x 255 150x

ALA

Sep22 @ 333 30x

AUP Curve	Bid	Offer	Val
Aug	25.80	26.00	25.90
Sep	25.85	26.05	25.95
Q422	25.90	26.10	26.00
1H23	26.15	26.30	26.23
Cal23	26.00	26.15	26.08

EDP Curve	Bid	Offer	Val
Aug	520	540	530
Sep	425	440	433
Q422	360	380	370
1H23	320	330	325
Cal23	305	315	310

AEP Curve	Bid	Offer	Val
Aug	430	440	435
Sep	415	425	420
Q422	285	295	290
1H23	245	265	255
Cal23	215	230	223

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