<u>EMISSIONS | OIL | FE</u>RROUS | FREIGHT | AGRI | <mark>METALS</mark> | ENERGY | PHYSICAL FREIGHT

FIS

Aluminium Premiums

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

Good morning,

Wednesday was quieter on the premiums, with six trades clearing on the CME block.

Activity was predominantly focused on the Midwest contract, specifically '23 periods. Nov-Dec22 traded through our 26.25 offer at 26.50 in 90x, with selling cares on the follow. 2H23 printed twice at 26.63 in 40-80x and was offered on at this level. The full Cal strip traded at 26.15 in 15x and immediately up at 26.50 in 50x.

On the euro premiums, only the duty unpaid traded. Q422 duty paid was bid at 360 in 14x and there was cares to borrow Q4 EDP vs AEP but no offers were seen. On the duty unpaid, Jan-Feb23 printed at 270 in 28x, with Mar-June offered at 255 in 20x but not trading.

LME Aluminium edged higher in London, with a worsening demand outlook countering supply cuts brought on by the energy crisis. Prices rose after aluminium producer Speira GmbH said it is considering cutting production at its German smelter to 50% of total capacity, as surging energy costs squeeze power-intensive industries across Europe. The energy crisis already cut half the region's aluminium and zinc production capacity in the past year. At odds with this, a raft of economic data pointed to weakening activity across the US, Asia and Europe, with manufacturers and consumers feeling the pinch from high inflation and rising borrowing costs. In China, the country continued rolling out measures to ease a prolonged property crisis, while a power crunch disrupted metal production as aluminium smelters in Sichuan province were shuttered. "Sky-high electricity prices in Europe and drought conditions in China are causing smelter closures in the aluminium market, providing some support to prices," Carsten Menke, head of next-generation research at Julius Baer, said in an emailed note.

Wednesday's Trades:

AUP Nov-Dec22 AUP @ 26.50 90x 2H23 AUP @ 26.63 50-80x, 40-70x Cal23 @ 26.15 15x, 26.63 50x

AEP Jan-Feb23 @ 270 28x

AUP Curve	Bid	Offer	Val
Aug	25.80	26.00	25.90
Sep	26.00	26.20	26.10
Q422	26.20	26.50	26.35
1H23	26.30	26.45	26.38
Cal23	26.45	26.60	26.53

AEP Curve	Bid	Offer	Val
Aug	430	440	435
Sep	415	425	420
Q422	285	295	290
1H23	250	265	258
Cal23	220	245	233

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

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at <u>freightinvestorservices.com</u>