

FIS Aluminium Premiums

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Good morning,

Wednesday saw 12 trades clear on the CME block.

Activity was predominantly focused on the Midwest contract, specifically '23 periods. 1H23 AUP was bid and hit at 25.75 in 20x with 1H23 and Q123 left 25.50/26.00 in 20x on the follow. Jun-Jul23 printed at the same level in 60x, with Apr23 trading at 25.75 in 25x. Spread wise, Nov22 traded flat to Q123 in 300xv 100x at 25.50. Spot fell 15 points to 24.90. Q422 got to 24.75/25.25 in 15x but did not trade.

On the euro premiums, only the duty unpaid traded. On the front end Nov-Dec printed at 350 in 40x and Sep-Oct22 at 387.50 in 100x. Q422 printed at 355 in 15x then was bid and hit at 350 in 14x and 10x and offered at 355 on the follow. Further out, Jan-Oct23 printed at 325 in 45x and later 5x, with Q123 offered and lifted at 335 in 10x and offered on this morning.

Aluminium fell 1.5% to \$2,354.50 a ton on the London Metal Exchange as of 12:04 p.m. local time. The contract slumped 4.1% on Tuesday, extending the biggest declines in at least a month as concerns about global growth gripped markets. The drops come amid a broad sell-off in commodities that gripped everything from crude oil to agricultural products. Anxiety is high that Europe's energy crisis, tighter monetary policy by the Federal Reserve and China's Covid Zero strategy will hit demand for industrial metals. This is balanced by further cuts to metal production in Europe. Alcoa Corp. said it would cut output by a third at its aluminium smelter in Norway as Russia's move to curb gas supply pushes up the cost of producing the energy-intensive metal. Around half of Europe's aluminium capacity has been lost in the past year, with curtailments likely to accelerate in the coming months.

Wednesday's Trades:

AUP

1H23 @ 25.75 20x

Jun-Jul23 @ 25.50 60x

Apr23 @ 25.75 25x

Nov22 v Q123 flat (25.50) 300x v 100x

AUP Curve	Bid	Offer	Val
Sep-22	24.60	25.00	24.80
Q422	25.00	25.50	25.25
1H23	25.50	26.00	25.75
Cal23	25.60	26.10	25.85

EDP

Oct-Sep22 @ 387.50 100x

Nov-Dec22 @ 350 40x

Q422 @ 355 15x, 350 14x, 10x

Jan-Oct23 @ 325 45x, 5x

Q123 @ 335 10x

EDP Curve	Bid	Offer	Val
Sep-22	380.00	395.00	387.50
Q422	345.00	355.00	350.00
1H23	320.00	335.00	327.50
Cal23	300.00	315.00	307.50

AEP Curve	Bid	Offer	Val
Sep-22	390.00	410.00	400.00
Q422	290.00	300.00	295.00
1H23	250.00	260.00	255.00
Cal23	220.00	230.00	225.00

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