

FIS Aluminium Premiums

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Good morning,

Monday was a very quiet day on the premiums, with just one trade clearing on the CME block.

On the front end Midwest premium, Dec22 AUP was bid at last done—20.35 in 40x but was not countered. Further out, May and June23 were bid at 22.85 in 25x respectively, with 1H23 getting to 22.95/23.25 in 10x but no '23 tenors traded.

On the euro premiums, activity remained concentrated on the duty paid contract. Q123 printed at 275 in 25x with buying cares on the follow, with the full cal strip bid at 270 in 5x. On the duty unpaid, there was interest to buy the Jan-May23 and Cal23 at 200 in smalls but little selling appetite.

A major global aluminium producer offered Japanese buyers a premium of \$95 a ton for the coming quarter, the lowest level in more than two years, according to two people with knowledge of the negotiations. The offer is 4% lower than the \$99 a ton paid for the current quarter, and the lowest since the three months ending December 2020. Making aluminium has become unprofitable for many Chinese producers as the effects of Covid Zero continue to grip commodities markets ahead of a full reopening of the economy. The margins for processing molten metal into aluminium rod, used in cars and structures like window frames, have turned negative in some centres in southern China, Mysteel said in a note on Friday. In data going back to 2017, that's only happened once before, in January this year, according to Mysteel.

Monday's Trades:

EDP
Q123 @ 275 in 25x

AUP Curve	Bid	Offer	Val
Dec	20.20	20.50	20.35
Q123	22.25	22.75	22.50
Q223	22.85	23.35	23.10
Q323	23.35	23.85	23.60
Q423	23.50	24.00	23.75
Cal23	23.00	23.50	23.25
Cal24	23.85	24.50	23.50

EDP Curve	Bid	Offer	Val
Dec	250	260	255
Q123	270	280	275
Q223	275	285	280
Q323	280	290	285
Q423	285	295	290
Cal23	278	288	283

AEP Curve	Bid	Offer	Val
Dec	190	200	195
Q123	195	205	200
Q223	200	210	205
Q323	205	215	210
Q423	210	220	215
Cal23	203	213	208

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