

FIS Aluminium Premiums

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Good morning,

Tuesday was another quiet day on the premiums, with four trades clearing on the CME block.

All trading activity was focused on the Midwest premium, for 1H23 tenors specifically. 1H23 was bid and hit at 23.00 in 10x and was left 22.90/23.15 in 10x/30x. Q123 AUP traded twice at 22.75 in 10x and was offered on at the same level in 20x, with Mar-Apr23 trading at 22.95 in just 5x.

On the euro premiums, there was buying appetite for Cal23 for both the duty paid and unpaid contracts, with bids coming in at 275 and 200 in 10x and 6x respectively. No offers for euros were seen in the market. There was interest to sell Q123 ALA in 10x but little buying appetite.

The US and European Union are weighing new tariffs on Chinese steel and aluminium as part of a bid to fight carbon emissions and global overcapacity, according to people familiar with the matter. The move would mark a novel approach, as the US and EU would seek to use tariffs -- usually employed in trade disputes -- to further their climate agenda. The idea, generated within President Joe Biden's administration, is still in an initial phase and hasn't been formally proposed, according to the people, who asked not to be identified as the discussions aren't public. An agreement with the EU, including specifics on how to identify thresholds for applying tariffs, isn't likely until late next year at the earliest, one of the people said, adding that even that timeline was optimistic.

Tuesday's Trades:

AUP
 1H23 @ 23.00 10x
 Q123 @ 22.75 10x,10x
 Mar-Apr23 22.95 5x

AUP Curve	Bid	Offer	Val
Dec	20.30	20.55	20.43
Q123	22.50	23.00	22.75
Q223	22.90	23.15	23.03
Q323	23.25	23.55	23.40
Q423	23.40	23.75	23.58
Cal23	23.00	23.45	23.23
Cal24	23.60	24.10	23.85

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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