Aluminium Premiums

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Good morning,

Ali premiums activity picked up this Wednesday, with seven trades clearing on the CME block.

The Midwest contract enjoyed the majority of liquidity. On the front end Feb v Mar23 printed at 0.25c in 50x, with Feb23 outright trading 25.05 and Mar-Jun at 26.00 in 50x and 25x. There was buying interest on the follow for both Jan and Feb at 24.75 but no further trades were seen. The full Cal23 strip was offered and lifted at 26.15x in 10x where it was bid on in 5x, with 1H24 trading at 27.25 in 10x.

On the Euro premiums, the focus was switching. 2H23 AEP v EDP traded at 75\$ in 20x, and was bid on at the same level for any quarter in 2023 but no further trading was seen. Q223 AEP was bid at 205 in 20x and the Cal23 offered at 220 in 5x with neither interest countered.

LME Aluminium rose 0.1% on the London Metal Exchange as of 7:49 a.m. local time, erasing earlier losses. While the abrupt abandonment of Covid Zero policies has brightened the outlook for commodities demand in China later this year, a vicious virus wave is set to batter factory activity through the first quarter. That's bad news for aluminium, which dropped about 8% last year in Shanghai.

Wednesday's Trades:

AUP

Feb v Mar23 @ 0.25c 50x Feb23 @ 25.05 15x Mar-Jun23 @ 26.00 50x, 25x Cal23 @ 26.15 10x 1H24 @ 27.25 10x

AUP Curve	Bid	Offer	Val
Q123	25.00	25.50	25.25
Q223	25.70	26.15	25.93
Q323	26.20	26.80	26.50
Q423	26.70	27.10	26.90
Cal23	25.90	26.40	26.15
Cal24	27.00	27.50	27.25

AEP 2H23 AEP v EDP @ \$75 in 20x

AEP Curve	Bid	Offer	Val
Q123	200	210	205
Q223	205	215	210
Q323	210	220	215
Q423	215	225	220
Cal23	208	218	213
Cal24	220	240	230

EDP Curve	Bid	Offer	Val
Q123	280	290	285
Q223	290	300	295
Q323	295	305	300
Q423	300	310	305
Cal23	290	300	295
Cal24	305	320	313

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