

# FIS Aluminium Premiums

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

Good morning,

Wednesday was a fairly active day on the premiums, with six trades clearing on the CME block.

The Midwest contract remained dormant and did not trade. On the front end, there was interest to buy Mar-May23 AUP at 26.75 in 75x with no sellers for this tenor. Further out, Cal27 was offered at 27.00 in 10x and ongoing spread interest to lend Feb-Mar into Q3 but neither axe was countered.

The euro premiums were far more active. 2H23 EDP was offered and lifted at 250 in 20x, with Apr-Jul, May-Jul and Q2 trading all at 345 in 10-15x respectively. There was spread interest for EDP v AEP at 92\$ - this level traded for Jul-Dec in 10x and Q423 in 20x, with the levels at 250 and 345 each time.

Aluminium fell 1.1% to \$2,616 a ton on the London Metal Exchange by 3:54pm, the fourth time in five days as traders weighed the return of Chinese demand and the prospect of increased supply from Europe. The global market could see a significant surplus in 2023 if European smelters restart some capacity because of declining electricity costs, according to Bloomberg Intelligence analysts including Zhu Yi. There would still be a small surplus even if capacity in Europe is not restarted. The US should halt its “wrongful approach” to aluminium products from China, Foreign Ministry spokeswoman Mao Ning said Thursday at a regular press briefing in Beijing.

Wednesday’s Trades:

EDP

2H23 @ 350 20x

Apr-Jul @ 345 15x

May-Jul @ 345 15x

Q223 @ 345 10x

AEP

Jun-Dec EDP v AEP @ 92 in 10x (342/250)

Q423 EDP v AEP @ 92 in 20x (342/250)

AUP Curve	Bid	Offer	Val
Q123	27.50	28.00	27.75
Q223	26.75	27.25	27.00
Q323	26.50	27.00	26.75
Q423	26.25	26.75	26.50
Cal23	26.75	27.25	27.00
Cal24	26.50	27.00	26.75

AEP Curve	Bid	Offer	Val
Q123	220	235	227.5
Q223	240	250	245
Q323	245	255	250
Q423	250	260	255
Cal23	239	250	244
Cal24	260	275	267.5

EDP Curve	Bid	Offer	Val
Q123	325	340	332.5
Q223	340	350	345
Q323	345	355	350
Q423	350	360	355
Cal23	340	351	346
Cal24	360	370	365

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