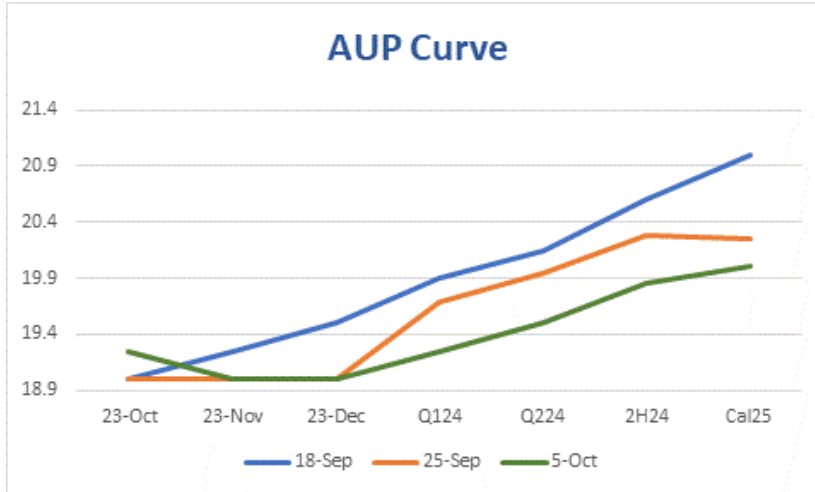




Aluminum Premium Report

Stamford +1 203 318 6598 | London +44 (0) 20 7090 1120 | Aluminium@freightinvestor.com

10/05/23



FIS AUP Curve 10/5			
Period	Bid	Offer	Midpoint
23-Oct	19.00	19.50	19.25
23-Nov	18.75	19.25	19.00
23-Dec	18.75	19.25	19.00
Q423	18.83	19.33	19.08
Q124	19.00	19.50	19.25
Q224	19.25	19.75	19.50
1H24	19.13	19.63	19.38
2H24	19.60	20.10	19.85
Cal24	19.36	19.86	19.61
Cal25	19.75	20.25	20.00

Commentary:

There was heavy activity on the CME block today. In total, 11,000 tons of AUP traded. Most of this activity occurred in several Nov23-Dec23 strips, all trading at 19.00. There was also a 1H24 v Cal25 spread that traded at -.5 (20.00/20.50). The curve was pulled down in response. Expect more trading to finish the week.

China and Russia have cemented a strong relationship with regards to aluminum, following the signing of a memorandum of understanding between the two countries’ industry associations on Sept. 25th; as a result the US now faces an increasingly complicated aluminum situation. Since Feb. 2023, the US has imposed a 200% tariff on Russian aluminum and aluminum products, drying up Russian exports to the US, which stood at 242,450 tons in 2021. The solution seems to come in the form of secondary aluminum production. About 80% of aluminum manufactured in the US came from secondary sources in 2022, and production is expected to increase to 82% by 2028. As Russia relies more and more on China as a home for the exportation of its aluminum, the US will continue to rely more and more on secondary production, rather than primary. Secondary production that is also much less energy intensive, requiring 95% less energy as well as being less emissions intensive (Source: Bloomberg)

Platts “Heards”:

Platts Aluminum: US: 99.7% P1020: Delivered US Midwest: Indicative value heard at 20.5 cents/lb premium over LME cash settlement, spot delivery, net-30: trader

Platts Aluminum: US: 99.7% P1020: Delivered US Midwest: Indicative value heard at 19-19.5 cents/lb premium over LME cash settlement, spot delivery, net-30: trader



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FIS AEP Curve 10/5			
Period	Bid	Offer	Midpoint
23-Oct	160	180	170
23-Nov	150	170	160
23-Dec	150	170	160
Q423	153	173	163
Q124	155	175	165
Q224	165	185	175
1H24	160	180	170
2H24	170	190	180
Cal24	165	185	175
Cal25	170	190	180

FIS EDP Curve 10/5			
Period	Bid	Offer	Midpoint
23-Oct	205	225	215
23-Nov	205	235	220
23-Dec	204	234	219
Q423	205	231	218
Q124	205	235	220
Q224	210	240	225
1H24	208	238	223
2H24	243	273	258
Cal24	225	255	240
Cal 25	240	270	255

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