

# Metal Bulletin

APRIL 11, 2018

LOCATION	INCO TERM	PREMIUM IN USD/TONNE	PREVIOUS PRICE ASSESSMENT	NOTES
<b>ALUMINIUM</b>				
Japan	P1020A cif	110-125	110-125	Spot MJP cif aluminium premium unchanged from Friday as market takes wait-and-see approach to recent US sanctions on producer Rusal. No deals reported in quiet market. Nearby spreads show tightness in market, with LME cash/April at \$3.20/t backwardation and LME cash/3-month at \$16/t backwardation. Q2 MJP cif benchmark at \$129/t, 25% higher than Q1.
Shanghai	P1020A in-whs	95-105	95-105	Offers heard up to \$105/t but import deals limited due to closed import window, large availability of metal in domestic market. Arb import loss at \$371/t on April 9. SHFE stocks registered slight decline of 154t since March 30 to 970,233t on April 4.
Shanghai	P1020A cif	99	99	See aluminium ingots Shanghai bonded.
Shanghai	P1020A cif	95-105	95-105	
Taiwan	P1020A cif	105-115	105-115	Premium unchanged amid lack of trading following public holidays in Taiwan last week.
Singapore	P1020A fob	90-105	90-105	Premium unchanged amid limited deals, offers.
Republic of Korea	P1020A cif MKP duty free	109	112	
Republic of Korea	P1020A South Korea duty-free fca	115-130	115-130	Premium unchanged amid slow spot demand. Market monitoring developments in US trade policies, sanctions against Rusal. Russia not a major supplier of P1020 to South Korea.
Malaysia	P1020A fob	95-110	100-115	Premium assessed slightly lower on persistent slow demand on fob, fca basis. Deals on fca basis heard at around \$100/t. Supply ample within Malaysia.
Republic of Korea	P1020A cif	105-115	105-115	Premium unchanged amid limited cif offers, deals. Spot demand stays slow. See fca comments.
South East Asia	P1020A warrants in-whs	5-15	3-15	Premium moves up on continued strong demand for warrants. Some assessments up to \$20/t but no business reported at this level. Market participants do not see any effect of Rusal sanctions on LME warrant premiums for now. Live LME stocks down 49,825t this week with large cancellations in Port Klang.
East Asia	P1020A warrants in-whs	5-15	5-15	See Southeast Asia warrants.
Antwerp	P1020A in-whs DUP	98-103	95-101	Premium moves higher in line with Rotterdam duty-unpaid premium; Antwerp still seen by most as \$2/t below Rotterdam premium on top end due to higher costs.
Antwerp	P1020A in-whs DP	164-172	160-167	Premium edges higher in line with Rotterdam duty-paid premium. Top end of Antwerp range seen \$2/t below Rotterdam premium due to higher costs.
Vlissingen	P1020A in-whs DUP	98-103	95-101	See Antwerp duty-unpaid.
Vlissingen	P1020A in-whs DP	164-172	160-167	See Antwerp duty-paid.
Italy	P1020A fca DP	200-210	200-210	Premium stays high with continued tightness in Trieste, Rusal sanctions tightening market for some. Some testing above the range following sanctions, but no business concluded yet. Market expects fresh shipments to arrive in the region soon but premium expected to stay high until then.
Spain	P1020A fca DP	190-200	190-200	Spain remains at its highest level since Feb 2016 in quieter market. Tightness from sanctions pushing participants away from Rusal material expected to support market. Liquidity remains low but continued tight supply and increased logistics costs also supporting premium in region.
Turkey	P1020A cif DUP	120-140	120-140	Premium stable, with little activity reported. Market participants expect Rusal units to head to Turkey if they can't be transacted in Europe, which would pressure premium.

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<b>ALUMINUM</b> (cont'd)				
Rotterdam	P1020A in-whs DUP	102	102	Two traders assessed market unchanged at \$98-105/t, a third saw it at \$105-110/t and a fourth at \$100-115/t. Two offers were reported at \$115/t. No new business was reported. US sanctions against Rusal have not materialized into spot premium change yet, but liquidity for duty-unpaid has hit a standstill. Financing for Rusal units said to be difficult to obtain, adding to lack of liquidity. Sanctions seen as bullish for European market for most. Some market participants expected to avoid Rusal units, which could tighten market for some and push premium higher in coming days. C/3M spreads volatile, narrowing to \$2/t backwardation from \$16/t backwardation late Monday, but participants focused on sanctions' effect on market fundamentals for now.
Rotterdam	P1020A in-whs DUP	98-105	98-105	
Rotterdam	P1020A in-whs DP	164-174	160-169	Premium increases to reflect sharp increase on LME cash price and one small transaction slightly above range. Another deal at standard tonnage at bottom of new range. Sanctions seen as bullish for European market. Some avoiding Rusal brand metal, which could tighten market for some and push premium up soon. Market testing levels as high as above \$185/t but no business seen at those levels.
United States	P1020A warrants in-whs	115-125	115-125	Detroit stocks down slightly, with 35,125t on warrant and closing at 51,025t.
Midwest United States	P1020A dlvd DUP	22-23 cents/lb	18.75-19.25 cents/lb	One seller reported transactions between 22-23 cents/lb, and two others reported offer levels above 23 cents. Market reeling following news of US sanctions against Rusal, with buyers in panic over where to buy metal and sellers unsure of fair price for P1020.
Brazil	P1020A dlvd	340-380	320-350	Domestic premium increased, pressured by higher Midwest premium and domestic supply disruptions in Brazil.
Brazil	P1020A cif	210-220	190-210	Import premium up, pressured by higher global premiums and supply disruptions in Brazil. High level of uncertainty keeping buyers out of spot market.

Premiums are paid on top of London Metal Exchange cash prices to acquire ownership or secure delivery of physical metal at an agreed location and date.

Rates vary according to brand, specification, purity, tonnage, payment terms and warehouse operator.

(Table compiled by *Metal Bulletin* and *AMM* Newsdesks)

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