



JANUARY 14, 2020

LOCATION	INCO TERM	PREMIUM IN USD/TONNE	LAST WEEK'S PRICE	NOTES
ALUMINIUM				
Australia	Alumina fob	277.49	276.56	Demand from China continues to underpin the market, but low liquidity expected as Lunar New Year approaches. Market continues to be divided over freight differential from cif China to fob Australia, assessed anywhere from \$20/t to \$28/t in the past week. Reports say there is congestion at some main ports in China. Majority of participants continue to see market close to \$277/t.
Taiwan	P1020A cif	80-95	80-100	Premium narrows in line with benchmark MJP Q1 premium at \$83/t.
Japan	P1020A cif	75-85	70-80	Contango in LME spreads supporting higher premium. But liquidity is starting to slow because consumers and traders are mostly done procuring their cargoes before Lunar New Year. C/3M contango was at \$27/t on Jan 14.
Shanghai	P1020A in-whs		95-105	Next assessment on Jan 28.
Shanghai	P1020A cif		95-105	Next assessment on Jan 28.
Republic of Korea	P1020A South Korea duty-free fca	100-110	95-105	Premium up on market participants' assessments. Widening contango in LME spreads supports increase.
Republic of Korea	P1020A cif	85-95	80-90	Assessment rises in line with South Korea fca premium. Market illiquid, most trades done on fca basis.
Italy	P1020A fca DP	175-180	170-175	Majority of market no longer sees below \$175/t achievable. Demand in Trieste is strong, with several traders looking to buy material but noting there is less availability. Isolated deals concluded as high as \$185/t but Fastmarkets to confirm in next pricing session if this is where the bulk of the market can achieve business. Higher Rotterdam premiums and contango in LME spreads also supporting premium.
Rotterdam	P1020A in-whs DUP	95-100	90-100	Business for specific brands now achievable for some above \$100/t. But most participants see top end of range steady for now. Fastmarkets to see whether above \$100/t is where most of the market can transact before moving premium higher. Tight availability of supply in Europe continues to support premium.
Rotterdam	P1020A in-whs DP	140-145	135-145	Some traders able to conclude business just above range, but majority of participants see \$140-145/t as achievable in recent pricing sessions. A tender concluded below the range for small tonnage. Market notes there is an unusually high volume of participants offering on tenders. Current range remains below 3% duty spread due to wider availability of duty-paid units. Market remains well supported by contango in LME spreads.
Spain	P1020A fca DP	175-180	170-180	Premium rises slightly on uptick in Italy premium. Participants also cite port congestion in Spain as a reason for increase.
Turkey	P1020A cif DUP	105-115	105-115	No concluded spot business reported, with traders looking ahead to Q1 business.
Midwest United States	P1020A dlvd DP	14.5-16 cents/lb	14.5-16 cents/lb	Most valuations unchanged in quiet market. Wide range reflects lack of transactions and differing views on premium. Spot demand remains weak, but traders insist premium should be higher to reflect replacement costs. Contango in LME spreads keeps discounting limited.
United States	P1020A cif	4.5-5 cents/lb	4.5-5 cents/lb	Market quiet.
Brazil	P1020A dlvd	200-220	200-220	Spot market remains quiet, though participants are optimistic about consumption in 2020.
Brazil	P1020A cif	145-155	145-155	Spot market illiquidity persists. While some participants see \$140/t achievable, the majority of the market feels otherwise.



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COPPER				
Taiwan	grade A cif	57-65	65-75	LME on-warrant stocks in Kaohsiung fell to 1,500t on Jan 13, with outflows totaling 350t during the past two weeks.
Japan	grade A cif		60-68	Next assessment on Jan 28.
Shanghai	grade A in-whs	45-62	45-62	Premium has stabilized following declines amid sell-offs at the end of 2019. Trading is set to wane as market participants prepare for Lunar New Year holiday (Jan 24-30). Fastmarkets assessed stocks in Shanghai bonded zone at 273-282kt on Jan 13, up from 260.5-265kt on Dec 30.
Shanghai	grade A ER in-whs	50-62	50-62	See Shanghai, grade A in-whs.
Shanghai	grade A SX-EW in-whs	45-50	45-50	See Shanghai, grade A in-whs.
Shanghai	grade A cif	35-50	33-48	Premium rebounded slightly following steep declines at the end of 2019. Suppliers raised offers for material due to arrive after Lunar New Year (Jan 24-30), while buying interest is still weak ahead of the holiday. Arbitrage loss between LME and Shanghai was at \$79.79/t on Jan 14. The average arbitrage loss was at \$70.86/t for the week ended Jan 14 compared with an average loss of \$62.59/t a week earlier. Contango in LME C/3M spread was at \$24.75/t on Jan 14 compared with \$24/t a week prior.
Shanghai	grade A ER cif	43-50	40-48	See Shanghai, grade A cif.
Shanghai	grade A SX-EW cif	35-43	33-40	See Shanghai, grade A cif.
South East Asia	grade A cif	60-68	60-68	Market thin, with most supplied under long-term contracts. Fewer participants see top end of range achievable, but Fastmarkets to confirm business no longer possible at that level before moving premium lower. LME live stock was at 3,025t in Port Klang on Jan 14 compared with 3,000t a week prior and was at 3,475t in Singapore compared with 3,575t a week earlier.
Republic of Korea	grade A cif	45-60	45-60	Little spot liquidity in well-supplied market. LME on-warrant stock in Busan was at 6,675t on Jan 14 compared with 6,650t a week prior.
Germany	grade A dlvd	80-90	80-90	German cathode consumption remains weak, bulk of assessments fall in line with current range. Key copper cathode producers in Europe are offering small reductions on annual premium for German clients in 2020 as demand weakens in auto and chemical industries. Zero LME on warrant stock in Hamburg, with all 775t canceled.
Leghorn	grade A cif	45-55	45-55	Spot liquidity lacking amid weak domestic economy. Some seeing long-term contracts for Leghorn LME-registered material at \$60-65/t. Warrants in region said to be worth \$8-15/t. Trieste on-warrant stock holds from a fortnight ago at 15,000t. There is no stock in Leghorn.
Rotterdam	grade A cif	40-50	40-50	Bulk of assessments remain in current range amid weak demand and strong availability. No business reported to Fastmarkets, with some expecting spot business to remain weak until Lunar New Year at the end of Jan. Some long-term contracts now fixed at \$20/t discount to last year's level. LME on-warrant stocks in Rotterdam fall to 42,225t.
Midwest United States	grade A DDP	7.5-8.5 cents/lb	7.5-8 cents/lb	Premium widens despite continuing weak spot trading due to a number of factors: strong contango in LME forward spreads supports holding onto metal; rail freight has increased following a rise in trucking freight in the US; and the overall raised premium charged by major copper producers.
Europe	EQ cif	25-35	25-35	Low liquidity over Dec-Jan period, focus more on 2020 long-term contracts. Some market participants unsure whether spot market will gather momentum in Q1, with current discounts against LME-reg greater in other locations. Concerns around long-term African supply mounting due to maintenance disruptions at key DRC/Zambian mines could cause premium to tick higher in 2020. Still, consumers are resolute in wanting flat or lower delivered premium.
Shanghai	EQ cif	10-20	5-20	Premium rises, with nearby cargoes offloaded at single-digit premium are no longer available. Spot trading quiet, with market participants leaving for Lunar New Year.



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LEAD				
Taiwan	99.97% cif	70-90	70-90	Market quiet during holiday season.
Taiwan	99.99% cif	150-160	170-180	Demand from newly started battery plants muted as spot market enters a seasonal quiet period.
India	99.97% cif	80-100	60-75	Premium ticks up, with arbitrage open to bring in lead. LME 3M lead price rangebound at \$1,900-1,950/t. Indian producer Hindustan Zinc unlikely to export much lead, will instead focus on domestic market.
India	99.99% cif	150-160	130-150	See lead 99.97% ingot India cif.
South East Asia	99.97% cif	60-70	60-70	Secondary lead premium stable, spot demand lacking. Assessment came in at \$60s/t, with no tonnage reported sold. Premium for lead 99.99% ingots steady amid flat demand. Primary lead premium stable, with no LME stock in Singapore or Port Klang.
South East Asia	99.99% cif	120-140	120-140	See lead 99.97% ingot Southeast Asia.
Midwest United States	99.99% DDP	11-13 cents/lb	11-13 cents/lb	Premium supported by steady fundamentals.
Midwest United States	99.97% DDP	9-10.5 cents/lb	9-10.5 cents/lb	Spot demand remains soft due to unusually mild winter in US. Mid-Jan is peak time for car battery manufacturers, and they generally switch to producing other batteries that use less lead (such as motorcycle batteries, lawn mower batteries) by mid-Feb. Spot demand for refined lead has been affected as well. Additionally, lead smelters in the US are unable to make money due to high transportation costs and softer demand from consumers.
TIN				
Taiwan	99.9% cif	200-220	200-220	Fundamentals stable.
Shanghai	99.9% cif	230-250	230-250	Domestic demand muted. SHFE tin stocks up 773t week on week to 6,890t on Jan 14 due to weak domestic demand.
Shanghai	99.9% cif	320-350	320-350	See tin 99.9% Shanghai cif.
Rotterdam	99.9% in-whs	360-420	360-420	Premium steady against increased availability of free-floating LME tin warrants, while demand softens against higher 3M price. Majority of Asian stockpiles made up of Malaysian and Indonesian material, with LME stock flows confined mostly to Singapore and Port Klang. One prominent Indonesian private smelter said to be producing some 200t per month, while uncertainty over export licenses persists. C/3M backwardation widens to \$27/t from \$23/t two weeks ago, but spreads have been volatile over the fortnightly period. LME 3M price climbs to \$17,350/t from \$16,950/t two weeks ago. On-warrant LME stocks remain high at 6,105t, but down from 6,390t two weeks ago.
Rotterdam	99.9% low lead in-whs	400-475	400-475	Bulk of assessments remain within range. Large segment of market dealing low-lead material on long-term basis, with additional spot tonnages of less interest. South American producers said to be offering aggressively low numbers on low-lead annual contracts, with some needing to offload tonnage due to weak demand. Import duties of 25% on tinplate exports to US have left low-lead sellers in Europe with fewer customers.
Baltimore	99.85% in-whs	400-550	400-550	Spot business limited, with consumers covered by annual contract supplies.
Midwest United States	99.85% ASTM dlvd	455-600	455-600	Very limited spot business.
ZINC				
Taiwan	SHG cif	120-130	120-130	Low buying interest during holiday season.
India	SHG cif DP	180-200	180-200	No trade data reported to Fastmarkets in past two weeks. Trading conditions illiquid, with backwardation in LME spreads weighing on demand for spot and long-term-contract basis.



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ZINC (cont'd)				
India	SHG cif DUP	110-130	110-130	See India SHG cif dp.
Shanghai	SHG cif	70-80	70-80	Market quiet following increase in import loss, which widened to \$181.39/t on Jan 14 from \$113.91/t one week earlier. Annual contract deadlocked - offers at \$90s/t from major supplier heard, but no deals heard signed as importers estimate a long-lasting negative import arbitrage. SHFE zinc stocks increased by 961t (3%) week on week to 31,767t on Jan 10.
Shanghai	SHG in-whs	80-90	80-90	See cif Shanghai zinc SHG premium.
Singapore	SHG fca	100-110	90-100	Long-term contracts said to be finalized at higher levels. Spot buying interest is getting more active, with more stock moving in LME sheds in Singapore and Port Klang.
Malaysia	SHG fca	100-110	90-100	Market is more active than that in Singapore, and demand seems to be stable.
South East Asia	SHG cif	120-130	110-120	Interest in spot cargoes up slightly. Persistently closed arbitrage window between London and Shanghai has pushed cargoes to Southeast Asia. LME C/3M spread has been in backwardation for eight weeks.
Rotterdam	SHG fca DP	90-100	90-100	Spot market illiquid. Steady availability, easing spreads keep market stable. C/3M spread backwardation narrows to around \$9/t on Jan 14 from \$12.50/t on Jan 7. Stocks in Rotterdam total 5,750t, with 3,025t on-warrant, while Antwerp stocks remain at 75t, with no material on-warrant. Participants continue to cite a double-digit decrease in contractual premium for 2020 in Northern European market, with some confirming levels around \$115-120/t.
Antwerp	SHG fca DP	90-100	90-100	See SHG Rotterdam dp fca.
Italy	SHG fca DP	145-155	140-150	Business reported slightly above the range. Fastmarkets is waiting to see traction at top end of range before moving higher, with \$160/t correlating with some long-term contract assessments. Participants remain bearish, with focus remaining on long-term contracts, while consumers are reportedly well covered. Zero stock in Trieste and Leghorn LME sheds.
Italy	SHG DDP	170-190	170-190	See Zinc SHG ingots Italy duty paid fca.
Midwest United States	SHG DDP	8-9 cents/lb	8-9 cents/lb	Spot market continues to be quiet, according to market sources.
NICKEL				
Shanghai	Briquettes cif		(20)-30	Next assessment on Jan 28.
Shanghai	Full plates in-whs	80-120	80-120	Market quiet ahead of Lunar New Year. Fastmarkets assessed Shanghai-bonded nickel stocks at 11,000-20,000t on Dec 31, down by 9% from a month earlier as traders accelerated year-end imports before the regional holiday period at the end of Jan.
Shanghai	Full plates cif	80-120	80-120	Some Chinese traders have already left market in advance of Lunar New Year holiday. The import arbitrage loss for most traded contract between SHFE and Wuxi was around 1,500 yuan/t on Jan 14, according to traders.
Rotterdam	Full plates in-whs	50-80	50-80	Range remains steady, with contract negotiations yet to start. LME 3M nickel price trading around \$14,000/t.
Rotterdam	4x4 cathodes in-whs	210-250	210-250	Little business concluded during past week.
Rotterdam	briquettes in-whs	20-50	20-50	No change in premium.
Midwest United States	4x4 cathodes DDP	34-42 cents/lb	34-42 USD/lb	Scant spot business reported.
Midwest United States	briquettes DDP	15-18 cents/lb	13-19 cents/lb	Limited spot business said to be concluded in tight range.

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 numerous factors such as brand, purity, tonnage and payment terms. See specifications for these prices in Fastmarkets MB's methodology [here](#).

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