



OCTOBER 20, 2020

LOCATION	INCO TERM	PREMIUM IN USD/TONNE	LAST WEEK'S PRICE	NOTES
ALUMINIUM				
Australia	Alumina fob	274.12	271.24	Index dips after fresh deal at \$274/t reported on Oct 20. Liquidity returned to market, with interest from consumers in China. Some 150,000t of Australian alumina traded between \$268/t and \$276/t last week. LME aluminium price firmly above \$1,800/t gives support to alumina prices, but excess of alumina units for loading in next few months remains.
Taiwan	P1020A cif	95-102	85-95	Premium rebounds with deal at \$102/t and offer at \$105/t reported. Majority of imports are based on contractual supply.
Japan	P1020A cif	85-95	85-95	Domestic demand, stable domestic premium keeps spot premium unchanged. Market participants starting negotiations for 2021, removing focus from spot market. C/3M spread contango widens to \$18/t on Oct 20.
Shanghai	P1020A in-whs		100-110	Next assessment on Oct 27.
Shanghai	P1020A cif		90-100	Next assessment on Oct 27.
Republic of Korea	P1020A South Korea duty-free fca	115-125	115-125	Market demand remains stable.
Republic of Korea	P1020A cif	100-110	100-110	Premium unchanged in line with South Korea fca premium. Most trades in South Korea done on fca basis.
Italy	P1020A fca DP	180-185	180-185	Majority of market seeing range achievable. Deal concluded at top end of range, and multiple people hearing of deals in Genoa concluding at \$185/t. Availability of material remains tight in Italy, with sellers still reluctant to ship big volumes in due to credit worries. But as differential between Italy and Rotterdam premiums widens, Italy is becoming more attractive for sellers to take a risk. Deals for Q1 also said to be concluding within range.
Rotterdam	P1020A in-whs DUP	100-105	100-110	Some participants see and want to buy metal below range after drop in premium, but no sellers at that level. Liquidity remains low, with participants waiting to see if contango will continue.
Rotterdam	P1020A in-whs DP	130-137	135-140	Most participants see \$130/t easily achievable, while offers around \$140/t difficult to conclude. Volatile spreads, uncertain 2021 demand stir bearish sentiment.
Spain	P1020A fca DP	180-185	180-185	Premium supported by expensive logistics costs, and participants expect spread between Spain and Rotterdam premiums to widen in coming weeks as a result. Market keeping close eye on developments at Alcoa's San Ciprián smelter. Future of smelter in doubt after negotiation process ended without GFG Alliance and Alcoa agreeing to terms.
Turkey	P1020A cif DUP	120-130	130-140	Premium follows Rotterdam premium lower.
Midwest United States	P1020A dlv DP	12-13.5 cents/lb	12-13.5 cents/lb	LME spreads flipped out of backwardation on Oct 16, including the C/3M, which recovered to double-digit contango. No deals reported since sales toward top end of range were reported late last week. But fundamentals remain bullish – scrap prices trending upward, freight rates still high and imports heard to be thin.
United States	P1020A cif	4.75-5.25 cents/lb	4.75-5.25 cents/lb	No liquidity captured.

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ALUMINUM (cont'd)				
Brazil	P1020A dlv	300-340	300-340	Majority of market sees range achievable. One seller offering up to \$350/t, but no business reported to Fastmarkets above range.
Brazil	P1020A cif	200-215	200-215	Liquidity limited. Participants were waiting for more visibility on when import quota would be renewed and how many tonnes it would encompass.
COPPER				
Taiwan	grade A cif	65-70	50-60	Bids around \$65/t, offers ranging from \$70-75/t.
Japan	grade A cif		55-65	Next assessment on Oct 27.
Shanghai	grade A in-whs	40-53	40-50	Interest in bonded cathode low, arbitrage loss still in place. Difficulties in financing cargoes for bonded material, combined with adequate domestic supply, are restricting business.
Shanghai	grade A ER in-whs	45-53	45-50	See Shanghai, grade A in-whs.
Shanghai	grade A SX-EW in-whs	40-45	40-45	See Shanghai, grade A in-whs.
Shanghai	grade A cif	40-53	35-50	Traction for top brands seen above \$50/t. Some buyers are looking for top-brand cathode to fulfill contractual obligation.
Shanghai	grade A ER cif	45-53	45-50	See Shanghai, grade A cif.
Shanghai	grade A SX-EW cif	40-45	35-40	See Shanghai, grade A cif.
South East Asia	grade A cif	60-70	55-65	Small deals seen at higher levels. In Vietnam, \$80/t quoted as achievable. Spot demand patchy, regional supply stable. Market awaits outcome of long-term contract offers from producers.
Republic of Korea	grade A cif	60-70	60-70	South Korea's LS Nikko operating at normal levels, supply sufficient.
Germany	grade A dlv	65-90	65-90	Spot activity lacking. With low industrial demand, end users in Germany continue to sell inventory to traders - tonnages said to be selling at mid-\$60s. European brand cathode still assessed upward of \$70/t, while improving German factory orders over Sept/Oct could boost demand in the coming months.
Leghorn	grade A cif	45-55	45-55	Spot buying minimal. Majority of material in region said to be Spanish/Peruvian.
Rotterdam	grade A cif	40-50	40-50	Spot appetite weak, with wide contango and ample availability of material supporting range. C/3M spread flips to contango, recently seen at \$20.50/t.
Midwest United States	grade A DDP	7.5-8.5 cents/lb	7-8 cents/lb	Deal reported at upper end of range, but overall spot market muted. Participants focusing on 2021 contract negotiations.
Europe	EQ cif	25-35	25-35	Liquidity minimal amid subdued buying interest, quiet spot market conditions.
Shanghai	EQ cif	(15)-(5)	(15)-(5)	Discounts remain, with scrap availability sufficient and expected to rise due to Chinese policy announcements that are more lenient to importers.
LEAD				
Taiwan	99.97% cif	70-90	70-90	Demand lackluster apart from inquiries from India.
Taiwan	99.99% cif	110-130	110-130	Spot demand non-existent. On-warrant stock in Kaohsiung jumped by 6,525t (42%) to 21,925t on Oct 20 from 15,400t on Oct 6.
India	99.97% cif		95-115	Next assessment on Oct 27.
India	99.99% cif		160-170	Next assessment on Oct 27.

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LEAD (cont'd)				
South East Asia	99.97% cif		75-80	Next assessment on Oct 27.
South East Asia	99.99% cif		125-145	Next assessment on Oct 27.
Midwest United States	99.99% DDP	11.25-12.25 cents/lb	11-12 cents/lb	Premium rises in tandem with that for 99.97% metal.
Midwest United States	99.97% DDP	9.25-10.25 cents/lb	9-10 cents/lb	Premium rises as car battery makers enter their busy season. Lead demand improves alongside auto demand. Freight costs have increased across the country.
TIN				
Taiwan	99.9% cif	200-220	250-270	Buying thin. On-warrant stocks in Kaohsiung rose to 285t on Oct 20 from 200t on Oct 6.
Shanghai	99.9% cif	280-300	280-300	Arbitrage worsens. SHFE tin stocks surged by 35% to 3,985t on Oct 16 from 2,952t a week earlier.
Shanghai	99.9% low lead cif	380-400	380-400	See tin 99.9% cif Shanghai.
Rotterdam	99.9% in-whs	325-400	325-400	LME price rallies firmly above \$18,600/t, with market still cautious of Chinese buying. Most market participants see business difficult to achieve above \$400/t despite consistent contango in C/3M. End-use demand said to be improving, with electronics remaining a bright spot amid China bolstering semiconductor industry. Solder demand beginning to improve, with Taiwan remaining hub for electronics sales. European demand said to be plateauing, with little availability and buying incentive in region. C/3M spread trades in \$20/t contango from \$26/t contango a fortnight earlier.
Rotterdam	99.9% low lead in-whs	400-475	400-475	Market assessments within range. Large segment of market dealing low-lead material on long-term basis and focused on Q4/Q1 2021 deals, with additional spot tonnages of minimal interest. Import duties of 25% on tinplate exports to US have left low-lead metal sellers in Europe with fewer customers.
Baltimore	99.85% in-whs	400-495	400-515	Spot trade softens.
Midwest United States	99.85% ASTM dlvd	450-555	450-555	Weak spot demand offsetting attempts to pass on higher freight costs.
ZINC				
Taiwan	SHG cif	90-100	85-95	Spot demand lackluster. Deals reported below \$100/t, offers up to \$110-120/t. Kaohsiung on-warrant stocks up by 2,200t at 17,525t on Oct 20 from 15,325t on Oct 6.
Shanghai	SHG cif	80-90	80-90	Worsened Shanghai-London arbitrage dented import appetite. Offers for duty-free cargoes reported at around \$100/t, no deals heard. SHFE stocks climbed by 13,535t (27.4%) to 62,905t in the week ended Oct 16.
Shanghai	SHG in-whs	90-100	90-100	See cif Shanghai premium.
Singapore	SHG fca	85-95	85-95	Zero spot activity.
Malaysia	SHG fca	85-95	85-95	Malaysia premium unchanged in line with that for Singapore.
South East Asia	SHG cif	100-120	100-120	Market remains relatively quiet, with long-term transactions making up most of the trades.
Rotterdam	SHG fca DP	90-110	85-105	See zinc SHG ingot Antwerp DP fca.
Antwerp	SHG fca DP	90-110	85-105	Tonnages traded at higher levels enliven market. Demand bolstered by supply concerns in some quarters. Spot trade for standard tonnage, standard-grade material supports range, with market floor established at \$90/t. LME SHG stocks continue climb, registering near two-year high at 220,325t.



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ZINC (cont'd)				
Italy	SHG fca DP	145-155	145-155	Assessment deems range tradable. Regional business remains focused on long-term contracts. But traders in region optimistic that supply disruptions arising from pandemic will bolster premium.
Italy	SHG DDP	170-190	170-190	Trade and assessment support range. Business in region is beginning to pick up, with larger producers showing increased interest in spot trade. Market participants confident that 2021 will remain stable on that basis.
Midwest United States	SHG DDP	8-8.5 cents/lb	8-8.5 cents/lb	Spot trade has picked up, with indication that range may soon strengthen as well.
NICKEL				
Shanghai	Briquettes cif		100-120	Next assessment on Oct 27.
Shanghai	Full plates in-whs	90-110	90-110	Arbitrage window remains closed. Fastmarkets assessed stocks in Shanghai bonded zone at 17,200-25,300t on Sept 30, up by 2,200t (11.5%) from 15,000-23,100t on Aug 31.
Shanghai	Full plates cif	90-110	90-110	Little import interest due to big arbitrage loss.
Rotterdam	Full plates in-whs	35-60	35-60	European cathode market illiquid. Higher-trending LME 3M nickel price, trading around \$15,960/t on Oct 20 from \$15,140/t a week ago, deters spot consumption over the period. All assessments deem range tradable.
Rotterdam	4x4 cathodes in-whs	160-200	160-200	No spot deals reported. While some participants see premium higher on good demand, a lack of liquidity above the range caps move up.
Rotterdam	briquettes in-whs	20-80	20-80	Consumption dampened by strong European availability. LME briquette inventory in Rotterdam totaled 46,974t on Oct 20.
Midwest United States	4x4 cathodes DDP	33-38 cents/lb	33-38 cents/lb	Trade illiquid, demand suppressed from energy and aerospace sectors during Covid-19 pandemic.
Midwest United States	briquettes DDP	14-17 cents/lb	12-17 cents/lb	Premium rises on unusually high number of spot trades, clustered near 15 cents per lb.

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