



AUGUST 5, 2020

LOCATION	INCO TERM	PREMIUM IN USD/TONNE	LAST WEEK'S PRICE	NOTES
ALUMINIUM				
East Asia	P1020A Warrants IW	10-20	10-20	Fresh cancellations and outflows cause availability to shrink. Queue in Johor continues to limit deals, but participants report queue as shortening. Johor on-warrant stocks fall to 103,375 tonnes from 107,500 tonnes last week. Total LME stocks fall to 1.63 million tonnes, while on-warrant material falls to 1.37 million tonnes from 1.38 million tonnes last week. LME off-warrant stock reporting data shows over 1 million tonnes of aluminium now held off-warrant, of which 80% is in Asia. Market awaits June report scheduled for publication on Aug 10. C/3M little changed in \$37.50/t contango, while C/Aug spread now at \$7.06/t contango.
South East Asia	P1020A Warrants IW	10-20	10-20	Continued queue concerns limit deals while demand remains muted. Business reported slightly below the range this week, but deemed to be less desirable queue material. Bulk of market see the range at \$10-20/t. Traders mentioned continued difficulty sourcing non-queue material. Fresh cancellations reduce Port Klang stockpile, with participants estimating queue at 11 weeks. Port Klang on-warrant stocks fall to 812,575 tonnes from 814,950 last week, while Singapore sheds remain unchanged at 267,200 tonnes on-warrant.
United States	P1020A Warrants IW	115-125	115-125	
COPPER				
East Asia	grade A Warrant IW	15-25	15-25	
South East Asia	grade A Warrant IW	15-25	15-25	Warrant premium unchanged on reduced availability, poor demand and tight spreads. All market indications in line with range. LME outflows and fresh cancellations are now taking place across various locations, including Asia. News that Yunnan will stockpile more than 100,000t of copper could see premiums rise, participants said. Busan sheds now hold 750 tonnes on-warrant from no stock a week ago, while Kaohsiung stock climbs to 900t from 200t on-warrant last week.
North Europe	grade A Warrant IW	10-15	10-15	
Southern Europe	grade A Warrant IW	10-15	10-15	Bulk of demand still concentrated in southern Europe. All indications in line with current range. Physical market participants still sourcing warrants and adding fo/finance costs. Removals of more than 65,000 tonnes from Rotterdam last month brings on-warrant stocks to 1,050 tonnes, down from 19,500 a fortnight ago. LME C/3M spread softens to \$2/t backwardation from \$9/t backwardation last week.
United States	grade A Warrant IW	5-15	5-15	
LEAD				
East Asia	99.97% Warrants IW	10-20	10-20	Strong availability and muted demand are limiting business. On-warrant LME lead stocks remain ample at 102,400 tonnes. Most interest remains for higher quality 99.99% purity, which rarely enters LME clearing. Some view this material at as high as \$25-30/t but no business reported this week. Traders reported 99.99% cargo entered LME systems last month. C/3M spread holds in contango, recently at \$19.50/t.
South East Asia	99.97% Warrants IW	10-20	10-20	
North Europe	99.97% Warrants IW	10-15	10-15	European lead market remains subdued, with premium steady and liquidity minimal. Physical market participants are sourcing LME warrants to fulfill existing contracts. Some participants continue to sit on the sidelines due to weak interest for lead warrants in Europe. Around 70% of LME stocks are held in Europe but reportedly controlled by a few large participants.
Southern Europe	99.97% Warrants IW	10-15	10-15	
United States	99.97% Warrants IW	20-30	20-30	



LOCATION	INCO TERM	PREMIUM IN USD/TONNE	LAST WEEK'S PRICE	NOTES
NICKEL				
South East Asia	briquettes Warrants IW	10-15	10-15	Demand weak and availability high. Business reported within range, while bulk of indications are for \$15/t at high end of range. C/3M spread narrows to \$35/t contango \$49.50/t contango last week. SHFE arbitrage opportunities remain slim despite consumers favoring cheaper supply ex-China with LME price strength continuing. SHFE will accept briquettes for forward delivery from October.
East Asia	briquettes Warrants IW	10-15	10-15	
South East Asia	Full plates Warrants IW	100-140	100-140	Range holds firm, with all market indications in line with current levels. Business reported within the range this week, while bulk of market sees \$140/t as the high end. Traders note improved demand across Asia for full plates, countered by increased availability and weak buying incentive. The pandemic continues to limit business, with end-use consumption still under pressure. Russian and Japanese material continue to command slightly higher premium.
East Asia	Full plates Warrants IW	100-140	100-140	
North Europe	Full plates Warrants IW	20-50	20-50	European briquette, bagged briquette and full plates premiums steady. Little buying incentive for nickel warrant in Europe. Availability in Europe remains strong with 28,734 tonnes on-warrant in Rotterdam. Total on-warrant LME nickel stocks little changed at 179,202 tonnes.
TIN				
South East Asia	>99.85% IW	60-100	60-100	Meager demand caps activity. C/3M spread narrows to \$25/t backwardation from \$55/t backwardation last week. LME warrant availability remains predominantly for Indonesian and Malaysian-origin material. LA and Baltimore stockpiles now trending lower with Asian locations more favorable. Total on-warrant LME tin stocks climb to 3,850 tonnes from 3,810 a week ago.
ZINC				
North Europe	SHG Warrants IW	5-20	5-20	Steady demand in north European zinc warrant market. Offers heard at the high end of the range this week, while market indications are now for \$5/t at the bottom of the range. European stockpiles remain well-stocked across Antwerp, Bilbao and Vlissingen. Participants watching zinc spreads with C/3M in \$10.25/t contango. Total LME on-warrant zinc stocks climb to 170,700 tonnes from 169,550 last week.
United States	SHG Warrants IW	5-10	5-10	

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](#).

If you wish to export any Fastmarkets MB prices to distribute to other people or input them into a company system you will require a data license. Click [here](#) to find out more.

Please do not forward this email. View our [terms and conditions](#) for more information.