



OCTOBER 21, 2020

LOCATION	INCO TERM	PREMIUM IN USD/TONNE	LAST WEEK'S PRICE	NOTES
ALUMINIUM				
East Asia	P1020A Warrants IW	20-30	20-30	Demand muted, queue concerns supporting premium despite narrowing spreads and recent inflows. One deal reported within range, bulk of assessments support current levels. Traders indicated tightness emerged across Oct/Nov spread but third-Wednesday roll has Nov/Dec spread trade in \$1.85/t contango. C/3M narrows to \$12.75/t contango from \$16.50/t contango last week. Latest LME queue report shows wait time of two months for aluminium removal at Istim Port Klang. But recent inflow into Port Klang could offset 70,000t fresh cancellation at start of Oct. Johor on-warrant stocks climb to 118,350t from 80,700t last week. Port Klang stockpile climbs to 675,625t. Total LME stocks climb to 1.48 million tonnes from 1.41 million tonnes last week, while on-warrant material climbs to 1.26 million tonnes from 1.12 million tonnes. LME reporting data for Aug shows more than 1.37 million tonnes remained off-warrant, of which more than 80% was held in Asia. Market awaits Sept report, scheduled for publication on Nov 10.
South East Asia	P1020A Warrants IW	20-30	20-30	See aluminium P1020 East Asian warrants INW.
United States	P1020A Warrants IW	115-125	115-125	
COPPER				
East Asia	grade A Warrant IW	20-30	20-30	
South East Asia	grade A Warrant IW	20-30	20-30	Just 5,375t of cathode on-warrant in Asia, while LME data still shows stocks held in tight hands of dominant warrant holders. Zambian cathode remains difficult to source. Total on-warrant stocks at 117,775t. LME off-warrant data showed just 3,768t held outside of LME network in Asia over Aug.
North Europe	grade A Warrant IW	10-15	10-15	Ample availability, wide spreads keep premium steady. Bulk of assessments given in line with range. Some 77,350t on-warrant in Rotterdam amid continued inflows. Just 5,075t on-warrant in Moerdijk, Vlissingen warehouses. Latest LME stock data showed more than 100,000t sat off-warrant in Rotterdam.
Southern Europe	grade A Warrant IW	15-25	10-15	Copper warrant demand remains concentrated in Southern Europe. Bulk of assessments peg range higher due to falling supply, with one holder of material bidding at \$20/t. Trieste stockpile down to 1,275t on-warrant, while traders mentioned offers in region upward of \$40/t. Bilbao LME inventory continues to emerge as stockpile with some 25,625t now on-warrant in region. LME C/3M holds in contango, widening to \$19.50/t from \$12.25/t last week.
United States	grade A Warrant IW	5-15	5-15	
LEAD				
East Asia	99.97% Warrants IW	10-20	10-20	Premium steady due to ample availability, steady contango and weak demand. On-warrant LME stocks at 111,775t. Majority of interest remains in higher-quality 99.99% purity, which rarely enters LME clearing. C/3M spread holds in contango, last at \$18/t.
South East Asia	99.97% Warrants IW	10-20	10-20	
North Europe	99.97% Warrants IW	10-15	10-15	Demand muted. Physical market participants continue to source LME warrants to fulfill contracts. A number of market participants continue to sit on the sidelines due to weak interest for lead warrants in Europe at the moment. 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	

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NICKEL				
South East Asia	briquettes Warrants IW	10-15	10-15	Demand steady, availability ample. Bulk of market continues to see range at \$10-15/t. C/3M spread narrows to \$45.25/t contango from \$46.25/t contango last week. SHFE arbitrage opportunities remain slim despite consumers favoring cheaper supply ex-China with LME price strength continuing. SHFE accepting briquette for forward delivery, with some participants anticipating greater arbitrage opportunities will soon emerge.
East Asia	briquettes Warrants IW	10-15	10-15	
South East Asia	Full plates Warrants IW	100-140	100-140	Steady contango supporting business. Business reported within range for Japanese full plate in Southeast Asia. Demand for full plate remains healthy, with Russian, Japanese cathode assessed as high as \$140/t. South African material said to be around \$50/t. Improving steel demand keeps interest steady against surge in Chinese iron ore imports and Brazilian exports.
East Asia	Full plates Warrants IW	100-140	100-140	
North Europe	Full plates Warrants IW	20-50	20-50	Buying incentives for nickel warrant purchase in Europe remain subdued. Availability remains strong, with some 29,418t on-warrant in Rotterdam. Total on-warrant LME stocks climb to 180,312t from 178,818t last week.
TIN				
South East Asia	>99.85% IW	70-150	70-150	Strong domestic demand bolstering business. Bulk of assessments support range. Indonesian material being sold upward of \$100/t. C/3M spread widens to \$18.50/t contango from \$15/t contango last week. LME warrant availability remains predominantly for Indonesian and Malaysian material. Los Angeles warehouse inventory down to 20t on-warrant and Baltimore shed down to 40t, with Asian locations more favorable amid uptick in Chinese import arbitrage interest. Total on-warrant LME stocks fall to 4,235t from 4,305t last week.
ZINC				
North Europe	SHG Warrants IW	50-70	40-60	Premium rises due to continued improvement in liquidity, while participants report ongoing difficulty sourcing material. One deal reported within range, another heard upward of \$60/t. Bids starting at \$60/t, with market assessments seeing \$50/t at low end. Demand steadily improving, with widening C/3M spread leaving most participants less cautious. Dominant LME warrant holders occupy 40-49% of tom/next and cash positions. European LME warehouse inventory climbs to 35,575t from 27,425t last week. C/3M spread little changed week on week in \$17/t contango. Total LME on-warrant stocks stand at 211,975t.
United States	SHG Warrants IW	5-10	5-10	

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