



OCTOBER 27, 2020

LOCATION	INCO TERM	PREMIUM IN USD/TONNE	LAST WEEK'S PRICE	NOTES
ALUMINIUM				
Australia	Alumina fob	275.58	274.12	Latest deal concluded at \$276.50/t fob Western Australia and is destined for China. Majority of market seeing \$275/t as reflective in recent pricing sessions. Market remains liquid, but availability of cargoes is plentiful.
Taiwan	P1020A cif		95-102	Next assessment on Nov 3.
Japan	P1020A cif	85-95	85-95	Spot market almost silent due to focus on 2021 negotiations. Talks heard to be contentious due to uncertainty over macroeconomic events such as a possible Covid-19 vaccine and US elections that could affect demand. C/3M spread contango rangebound at \$13.94/t on Oct 27.
Shanghai	P1020A in-whs	100-110	100-110	Arbitrage window has been open since Oct. 20, but not wide enough to boost premium. Strong demand in China continues to support ingot import business. Offers heard moving higher despite narrow arbitrage window, but little interest for participants to conclude business there. Some anticipate more liquidity in coming month due to expectations of widening import arbitrage.
Shanghai	P1020A cif	90-100	90-100	See aluminum ingot Shanghai bonded.
Republic of Korea	P1020A South Korea duty-free fca	115-125	115-125	Demand stable. LME C/3M contango still narrow, which could pressure premium lower in coming weeks.
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 sees range achievable. Availability of material remains tight, with sellers reluctant to ship in big volumes due to credit worries. But as differential between Italy and Rotterdam premiums widens, Italy is becoming more attractive for sellers to take risk. Deals for Q1 also said to be concluding within range.
Rotterdam	P1020A in-whs DUP	100-105	100-105	Most participants see range achievable. Contango gives premium a floor for now. Traders taking wait-and-see stance after volatile spreads in recent weeks. Premium too low to attract imports to Europe. LME C/3M contango widens to \$15.75/t.
Rotterdam	P1020A in-whs DP	130-135	130-137	Lack of liquidity caps further decline. Volatile spreads, uncertain 2021 demand stems liquidity, stirs bearish sentiment. Some expect more Canadian units to flow into Rotterdam in coming weeks.
Spain	P1020A fca DP		180-185	Next assessment on Nov 3.
Turkey	P1020A cif DUP		120-130	Next assessment on Nov 3.
Midwest United States	P1020A dlv DP	12-13.5 cents/lb	12-13.5 cents/lb	Most see range achievable, offers toward high end. Liquidity remains low, with 2021 annual supply tenders underway. Market participants expect some of those to trade at a premium to spot material.
United States	P1020A cif	4.75-5.25 cents/lb	4.75-5.25 cents/lb	No liquidity captured. Market participants say there is little appetite for duty-unpaid business in US.
Brazil	P1020A dlv DP		300-340	Next assessment on Nov 3.
Brazil	P1020A cif		200-215	Next assessment on Nov 3.

LOCATION	INCO TERM	PREMIUM IN USD/TONNE	LAST WEEK'S PRICE	NOTES
COPPER				
Taiwan	grade A cif		65-70	Next assessment on Nov 3.
Japan	grade A cif	55-65	55-65	Market quoted in line with regional benchmarks.
Shanghai	grade A in-whs	40-53	40-53	Interest in bonded cathode is low, arbitrage loss still in place. LME price hitting \$7,000/t makes importing much less profitable. Difficulties in financing cargoes for bonded metal, combined with adequate domestic supply, are restricting business.
Shanghai	grade A ER in-whs	45-53	45-53	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	40-50	40-53	Arbitrage ratio worsens. Cargoes for early Nov arrival being sold off, with even top brands trading below \$50/t premium. Despite drop from highs above \$7,000/t, recent LME price rise has not been duplicated on SHFE.
Shanghai	grade A ER cif	45-50	45-53	See Shanghai, grade A cif.
Shanghai	grade A SX-EW cif	40-45	40-45	See Shanghai, grade A cif.
South East Asia	grade A cif	65-70	60-70	Small deals done at higher premium. Wire rod mills' business boosted by Indian demand. Consumers who deferred shipments during pandemic peak looking to get those tonnes now or booking spot.
Republic of Korea	grade A cif	60-70	60-70	South Korea's LS Nikko operating at normal levels, supply sufficient.
Germany	grade A dlvd		65-90	Next assessment on Nov 3.
Leghorn	grade A cif		45-55	Next assessment on Nov 3.
Rotterdam	grade A cif	40-50	40-50	Spot appetite weak, widening contango and ample availability in region supporting range. European warehouse incentives supportive of premium. On-warrant LME stock totals 119,425t, climbing by more than 90,000t last month, with bulk of material in Rotterdam sheds. Latest LME off-warrant stock reporting, for August, shows more than 100,000t held in Rotterdam over the period. C/3M spread holds in contango, recently seen at \$18/t.
Midwest United States	grade A DDP	7-8 cents/lb	7.5-8.5 cents/lb	Most sources see lower range feasible in weak cathode spot market.
Europe	EQ cif		25-35	Next assessment on Nov 3.
Shanghai	EQ cif		(15)-(5)	Next assessment on Nov 3.
LEAD				
Taiwan	99.97% cif		70-90	Next assessment on Nov 3.
Taiwan	99.99% cif		110-130	Next assessment on Nov 3.
India	99.97% cif	100-115	95-115	Secondary lead premium boosted by industrial production needs, with Middle East supply minimal. Importers wary of stricter requirement to buy duty-free units. Little interest in 99.99% units.
India	99.99% cif	160-170	160-170	See lead 99.97% ingot India cif.
South East Asia	99.97% cif	75-80	75-80	Spot demand for secondary lead stayed low despite interest from Vietnam at \$80s/t. Primary lead sold mostly on contractual basis in region. LME live stock in Singapore flat week on week at 5,525t on Oct 27.
South East Asia	99.99% cif	125-145	125-145	See 99.97% lead Southeast Asia cif.

LOCATION	INCO TERM	PREMIUM IN USD/TONNE	LAST WEEK'S PRICE	NOTES
LEAD (cont'd)				
Midwest United States	99.99% DDP	11.25-12.25 cents/lb	11.25-12.25 cents/lb	No spot deals reported.
Midwest United States	99.97% DDP	9.25-10.25 cents/lb	9.25-10.25 cents/lb	Premium stable, sources reporting uptick in spot demand, consumption.
TIN				
Taiwan	99.9% cif		200-220	Next assessment on Nov 3.
Shanghai	99.9% cif		280-300	Next assessment on Nov 3.
Shanghai	99.9% low lead cif		380-400	Next assessment on Nov 3.
Rotterdam	99.9% in-whs		325-400	Next assessment on Nov 3.
Rotterdam	99.9% low lead in-whs		400-475	Next assessment on Nov 3.
Baltimore	99.85% in-whs		400-495	Next assessment on Nov 3.
Midwest United States	99.85% ASTM dlvd		450-555	Next assessment on Nov 3.
ZINC				
Taiwan	SHG cif		90-100	Next assessment on Nov 3.
Shanghai	SHG cif	80-90	80-90	Spot appetite remains minimal with arbitrage window closed. Market participants preparing for annual negotiations.
Shanghai	SHG in-whs	90-100	90-100	See cif Shanghai premium.
Singapore	SHG fca		85-95	Next assessment on Nov 3.
Malaysia	SHG fca		85-95	Next assessment on Nov 3.
South East Asia	SHG cif		100-120	Next assessment on Nov 3.
Rotterdam	SHG fca DP	90-110	90-110	See zinc SHG ingot Antwerp DP fca.
Antwerp	SHG fca DP	90-110	90-110	Deals, bids and assessments broadly support range. Trader interest in European zinc has been stoked by increased availability of ex-Europe stocks. Expectation that availability will precipitate healthy LME zinc contangos has stirred appetite in region.
Italy	SHG fca DP	145-155	145-155	Spot market subdued. Regional business focused on long-term contracts, with negotiations underway for 2021. Traders are broadly optimistic that Covid-19 supply disruptions will bolster premium.
Italy	SHG DDP	170-190	170-190	Spot market weak, many participants turning attention to 2021 contract negotiations. Thin reported trade for prompt, smaller tonnages supports range, with most focusing on delivery of contract business.
Midwest United States	SHG DDP	8-8.5 cents/lb	8-8.5 cents/lb	Sources reporting steady spot demand.
NICKEL				
Shanghai	Briquettes cif	100-120	100-120	Market very quiet. Closed arbitrage window dampens buying interest.
Shanghai	Full plates in-whs	90-110	90-110	In-warehouse premium static amid closed arbitrage window. Fastmarkets assessed nickel 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	Wider arbitrage loss leaving market participants on sidelines.



LOCATION	INCO TERM	PREMIUM IN USD/TONNE	LAST WEEK'S PRICE	NOTES
NICKEL (cont'd)				
Rotterdam	Full plates in-whs	35-60	35-60	European market remains broadly illiquid due to muted demand. LME 3M price remains elevated but is trending lower, at around \$15,600/t on Oct 27 from \$15,960/t a week earlier, deterring spot consumption.
Rotterdam	4x4 cathodes in-whs	160-200	160-200	Spot interest lackluster, all assessments in line with range.
Rotterdam	briquettes in-whs	20-80	20-80	Subdued consumption exacerbated by strong European availability. LME inventory in Rotterdam totaled 43,242t on Oct 27. Assessment supports premium.
Midwest United States	4x4 cathodes DDP	33-38 cents/lb	33-38 cents/lb	No spot sales reported amid suppressed demand from energy and aerospace sectors due to pandemic.
Midwest United States	briquettes DDP	14-17 cents/lb	14-17 cents/lb	Spot trade lacking after restocking by US consumers the prior week.

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.