



NOVEMBER 3, 2020

LOCATION	INCO TERM	PREMIUM IN USD/TONNE	LAST WEEK'S PRICE	NOTES
ALUMINIUM				
Australia	Alumina fob	273.03	275.58	Index near \$273/t, with majority of market seeing this level reflective of the spot market. Buying interest from China has declined slightly but market participants continue to watch development in LME aluminium price, which is rallying. 3M aluminium price most recently at \$1,898.50/t. Deadline for bids for Nalco tender is Nov 4. Tender is for 30,000t of Indian alumina, loading Nov 19-23.
Taiwan	P1020A cif	95-102	95-102	Premium remains unchanged on deal at \$102/t. Majority of imports based on contractual supply.
Japan	P1020A cif	90-95	85-95	Market participants report producers are not willing to sell below \$90/t. But physical cargoes are ample and late deliveries in Oct are arriving now, capping uptrend. Focus on negotiations for 2021 has taken liquidity away from spot market. C/3M spread flips to \$1.50 backwardation.
Shanghai	P1020A in-whs		100-110	Next assessment on Nov 24.
Shanghai	P1020A cif		90-100	Next assessment on Nov 24.
Republic of Korea	P1020A South Korea duty-free fca	115-125	115-125	Market inactive.
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	190-195	180-185	Majority of market seeing higher premium achievable. Some seeing and assessing market at \$200/t. Fastmarkets to confirm in coming pricing sessions if higher premium is achievable for open and competitive market. Availability of material remains tight in Italy, with sellers still 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 said to be concluding within range.
Rotterdam	P1020A in-whs DUP	100-105	100-105	Volatile LME spread stirs bearish sentiment, with growing number of participants seeing premium below \$100/t possible. Liquidity remains low outside of deal concluding at \$100/t recently, capping further downtrend for now.
Rotterdam	P1020A in-whs DP	125-130	130-135	Participants recently heard deals concluding below \$130/t and saw those levels as competitive. Backwardation and uncertain 2021 demand due to fresh European Covid-19 lockdowns generate bearish sentiment.
Spain	P1020A fca DP	190-200	180-185	Business reported at both ends of new range. Market supported by expensive logistics costs and tightness of material. Premium in Spain is following Italy wider and diverging from Rotterdam premiums. Market keeping close eye on developments at Alcoa's San Ciprián smelter. Alcoa said it will fully curtail production at the smelter in Q1 2021.
Turkey	P1020A cif DUP	120-130	120-130	Premium unchanged.
Midwest United States	P1020A dlvd DP	13-14 cents/lb	12-13.5 cents/lb	Most contributors valued premium above 13 cents/lb, and some traders willing to buy at level above 13 cents/lb. Many inputs trending higher week on week. Demand heard to be outpacing supply, with reduced Canadian imports squeezing supply. Participants not expecting an immediate impact from results of Nov 3 presidential election but see outcome as consequential for direction of premium. Participants also awaiting data on Canada's shipments in Sept to see whether they have exceeded monthly quota.



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ALUMINUM (cont'd)				
United States	P1020A cif	4.75-5.25 cents/lb	4.75-5.25 cents/lb	No liquidity captured.
Brazil	P1020A dlvd	300-340	300-340	Delivered premium stable due to lower consultations from clients during assessment period as restocking loses steam.
Brazil	P1020A cif	200-210	200-215	Softer demand resulted in slightly lower offers. Participants expecting spot activity to pick up in coming weeks as an additional 30,000t of duty-free import licenses are to be issued in Brazil until Dec 31.
COPPER				
Taiwan	grade A cif	65-70	65-70	Market stable.
Japan	grade A cif		55-65	Next assessment on Nov 24.
Shanghai	grade A in-whs	40-50	40-53	Low interest in bonded cathode with arbitrage loss still in place, no buying appetite seen above \$50/t. Difficulties in financing cargoes for bonded cathode, combined with adequate domestic supply, is restricting business.
Shanghai	grade A ER in-whs	45-50	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	35-48	40-50	Spot buying appetite stays low with arbitrage window closed. Some trader offers at \$50/t, but no traction as market begins to get deep into annual contract negotiations. Producer offer of \$88/t for annual contract met with lower bid from buyers.
Shanghai	grade A ER cif	43-48	45-50	See Shanghai, grade A cif.
Shanghai	grade A SX-EW cif	35-40	40-45	See Shanghai, grade A cif.
South East Asia	grade A cif	65-72	65-70	Deals said to be concluded above \$70/t. Wire rod mills' business boosted by Indian demand. Consumers who deferred shipments during pandemic peak now looking for those tonnes back or booking spot.
Republic of Korea	grade A cif	60-70	60-70	South Korea's LS Nikko operating at normal levels, supply sufficient. Regional lack of buying evident.
Germany	grade A dlvd	70-90	65-90	Factory order data in Germany expected to show a rise in Sept, but concerns emerge over lockdown measures being put in place again for Nov.
Leghorn	grade A cif	50-55	45-55	Sellers less keen to offer at lower levels and with minimal tonnage available through market of last resort - LME warehouses. Delivered offers to Carlo Colombo region at \$90/t and higher. Trieste holds 550t on-warrant, down from 1,275t a week earlier. No stock in Livorno.
Rotterdam	grade A cif	40-50	40-50	Spot appetite weak, with widening contango and ample availability of material in region supporting range. European warehouse incentives supportive of premium. On-warrant LME stocks being drawn down in Europe. Stocks at 83,950t on Nov 3, down 30% from a week earlier. C/3M spread contango narrows to \$9/t from \$18/t a week prior.
Midwest United States	grade A DDP	7-8 cents/lb	7-8 cents/lb	Spot market inactive. Market participants speculate that spot business may be stimulated after Nov 3 presidential election.
Europe	EQ cif	25-35	25-35	Not much spot buying as countries across Europe flirt with second-wave pandemic lockdowns.
Shanghai	EQ cif	(5)-5	(15)-(5)	Discount diminishes, but still little activity in the market. Participants watching new scrap import policies for indication on impact to lower-grade cathode demand.

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LEAD				
Taiwan	99.97% cif	70-90	70-90	Demand lackluster apart from inquiries from India. No deals heard so far due to import tariff for Taiwan-origin lead.
Taiwan	99.99% cif	110-130	110-130	Spot demand non-existent.
India	99.97% cif		100-115	Next assessment on Nov 10.
India	99.99% cif		160-170	Next assessment on Nov 10.
South East Asia	99.97% cif		75-80	Next assessment on Nov 10.
South East Asia	99.99% cif		125-145	Next assessment on Nov 10.
Midwest United States	99.99% DDP	11.25-12.25 cents/lb	11.25-12.25 cents/lb	Spot business absent.
Midwest United States	99.97% DDP	9.25-10.25 cents/lb	9.25-10.25 cents/lb	Spot demand remains steady.
TIN				
Taiwan	99.9% cif	200-220	200-220	Market inactive.
Shanghai	99.9% cif	280-300	280-300	Thin trading amid low supply. Offers sparse.
Shanghai	99.9% low lead cif	380-400	380-400	See tin 99.9% cif Shanghai.
Rotterdam	99.9% in-whs	350-425	325-400	Premium rises after LME price dips below \$18,000/t, with strong Asian demand continuing to absorb bulk of business. Most market participants now see business difficult to achieve below \$350/t despite more 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 \$3/t backwardation from \$20/t contango a fortnight earlier. On-warrant LME stock dips to 3,825t from 4,235t two weeks earlier.
Rotterdam	99.9% low lead in-whs	400-475	400-475	Market assessments remain within range. Large segment of market dealing low-lead material on long-term basis and focused on Q4 2020/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	400-495	Spot trade absent, focus on 2021 contracts.
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	110-120	90-100	Spot demand surges. Deals reported mostly above \$110/t, while offers are above \$120/t.
Shanghai	SHG cif	80-90	80-90	Negative arbitrage beginning to narrow, but market still quiet on spot deals. Participants looking to negotiate annual supply contracts.
Shanghai	SHG in-whs	90-100	90-100	See cif Shanghai premium.
Singapore	SHG fca	85-95	85-95	Spot activity non-existent. On-warrant inventory in Singapore warehouses at 69,600t on Nov 3, with 3,175t of warrants canceled.
Malaysia	SHG fca	85-95	85-95	Premium unchanged in line with Singapore market. On-warrant inventory in Johor fell from last assessment at 4,650t, with 975t canceled. There are 26,525t in Port Klang, with 1,400t warrants canceled on Nov 3.



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ZINC (cont'd)				
South East Asia	SHG cif	100-120	100-120	Market remains relatively quiet, with long-term transactions making up most trading. LME C/3M at \$12.13/t on Nov 3.
Rotterdam	SHG fca DP	80-100	90-110	See zinc SHG Antwerp DP fca.
Antwerp	SHG fca DP	80-100	90-110	Regional Covid-19 lockdowns dampening buying appetite. Scant spot deals for zinc jumbos, extremely prompt smaller spot parcels remain possible above range. But standard-grade, standard-tonnage deals in region now capped at \$100/t, with remainder of thin liquidity range supportive. LME C/3M spread trading in \$10/t contango on Nov 3 from \$12/t contango a week earlier. Previous trader interest in material in anticipation of stronger contangos has died down, with healthy availability of ex-Europe stocks failing to manifest in concluded trade. Strong LME 3M price, trading around \$2,540.50/t on Nov 3, continues to deter spot consumption.
Italy	SHG fca DP	145-155	145-155	Spot market quiet, no new business reported. Regional business remains focused on long-term contracts, with negotiations underway for 2021 premium. Traders broadly anticipate that trade will continue at current level into 2021.
Italy	SHG DDP	170-190	170-190	Spot market subdued, with many participants continuing to focus on 2021 contract negotiations. All assessments given within range.
Midwest United States	SHG DDP	8-8.75 cents/lb	8-8.5 cents/lb	Some sources seeing higher premium for SHG zinc delivery. Spot demand has been steadily improving in last several weeks.
NICKEL				
Shanghai	Briquettes cif		100-120	No import interest amid closed arbitrage window. Fastmarkets assessed stocks in Shanghai bonded zone at 17,700-25,800t in Oct, up by 500t (2.4%) from 17,200-25,300t in Sept.
Shanghai	Full plates in-whs	90-110	90-110	Sustained closed arb impeding import appetite.
Shanghai	Full plates cif	90-110	90-110	Sustained closed arb keeping participants out of the market.
Rotterdam	Full plates in-whs	35-60	35-60	LME 3M price rallied to \$16,100/t last week, deterring spot consumption, but trending lower - now trading around \$15,300/t.
Rotterdam	4x4 cathodes in-whs	160-200	160-200	Spot demand lackluster, all assessments in line with range.
Rotterdam	briquettes in-whs	20-80	20-80	Briquette consumption remains subdued, continues to be exacerbated by strong European availability. LME briquette inventory in Rotterdam at 43,242t on Nov 3.
Midwest United States	4x4 cathodes DDP	33-38 cents/lb	33-38 cents/lb	No spot sales reported, demand from energy and aerospace sector suppressed during pandemic.
Midwest United States	briquettes DDP	14-17 cents/lb	14-17 cents/lb	Spot trade lacking, emphasis on 2021 contract negotiations.

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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