
April Aluminum Update

14 May 2018 // By CME Group // Topics: #Metals

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Aluminum Updates

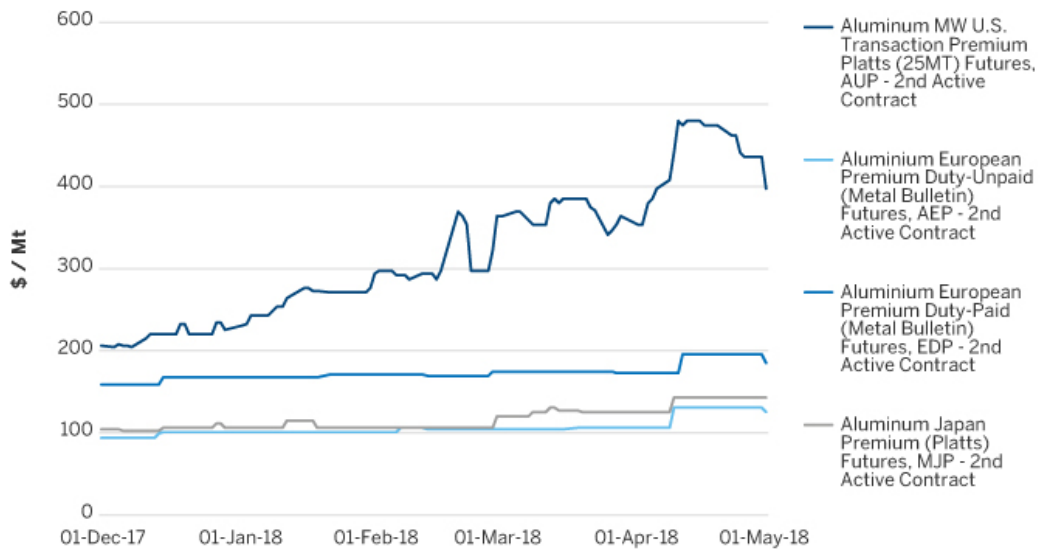
- On Friday, April 6, the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury imposed new sanctions targeting seven high-profile Russian businessmen, 12 companies they own or control, and 17 senior Russian officials because, it said, they were profiting from a Russian state engaged in “malign activities” around the world. Oleg Deripaska, conglomerate EN+, which in turn is the co-owner of some of the world’s largest metals producers, Rusal (6% of the world’s aluminum). [Sources: U.S. Department of the Treasury, Reuters]
- On April 10, COMEX revoked the approved status for registration (warranting) and delivery of the aluminum brands produced by Rusal against the exchange’s Aluminum futures (ALI) contract with immediate effect. See the list of the brands.
- Open interest across all COMEX Aluminum products remained close to historical highs, reaching 71,808 contracts on April 30. The volume continued to increase across all Aluminum Premium futures along the curve, with open interest across all non-U.S. Aluminium Premium contracts staying well above 10K contracts.
- Aluminum MidWest U.S. Transaction Premium Platts futures have become increasingly volatile in the last couple of months as market participants reacted to U.S. sanctions imposed on Rusal. The May contract traded in a wide range from the low of 0.1525 \$/lb (26-27 March) to the high of 0.2210 \$/lb (11 April). The average daily volume year-to-date remained robust at 615 contracts (15.4K mt)
- Alumina prices soared in April following disruptions across the whole physical aluminum supply chain due to the sanctions on Rusal. Alumina FOB Australian (Platts) May18 futures soared from \$430 to nearly \$600 per mt (+40%) since the end of March as 205K mt of Alumina FOB Australian (Platts) futures traded in April. [Source: Reuters]
- The revocation of several brands approved for delivery against the contract resulted in a decline of 42,469 MT of Aluminum held in exchange-approved warehouses on April 10. Aluminum held in exchange-approved warehouses totaled 10,788 MT as of April 30.

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Aluminum Premium Futures Price Performance:

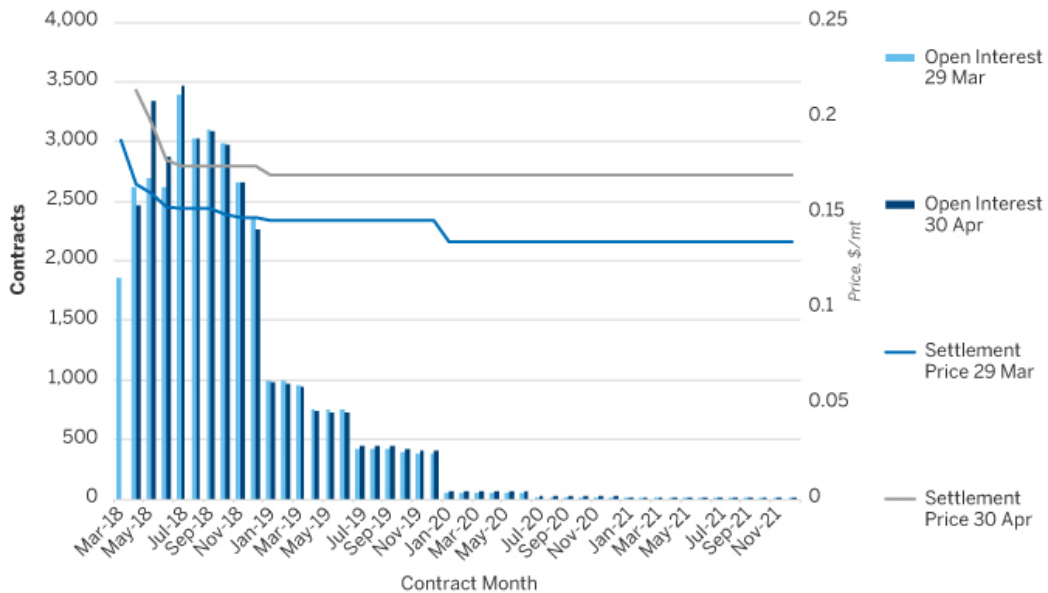
- Regional Aluminum premium futures are driven by the different fundamental factors, thus, creating arbitrage opportunities.

CME Aluminium Premium Futures – Historical Price Performance



Source: Bloomberg Data as of 01 May 2018

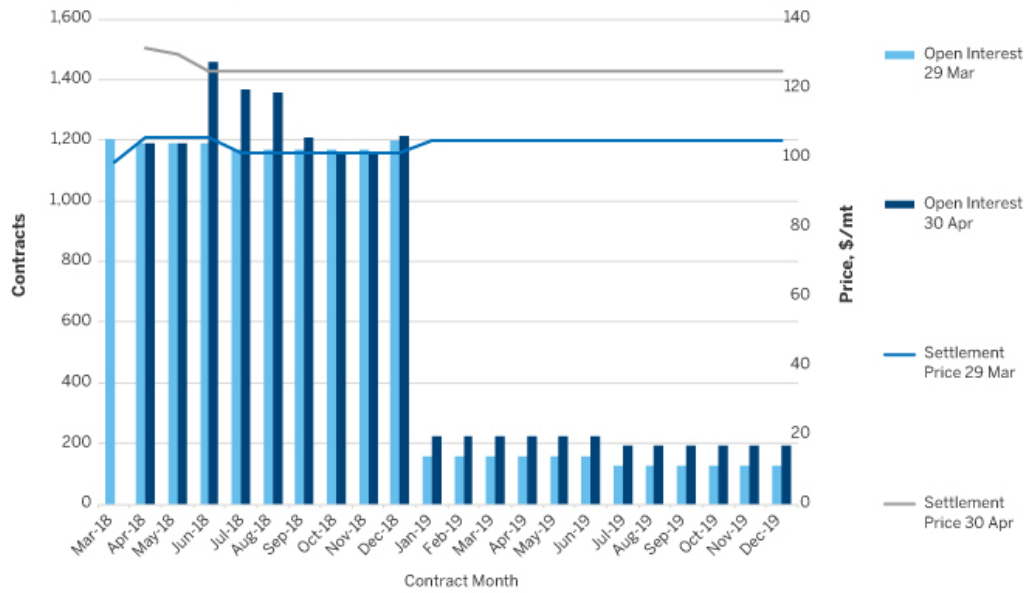
Aluminum MW U.S. Transaction Premium Platts (25MT) Futures, AUP Open Interest & Settlement Price: Mar vs Apr 18



Source: CME Group Data as of 30 Apr 2018

Aluminum Premium Futures Month-on-Month Change in Forward Curve and Open Interest

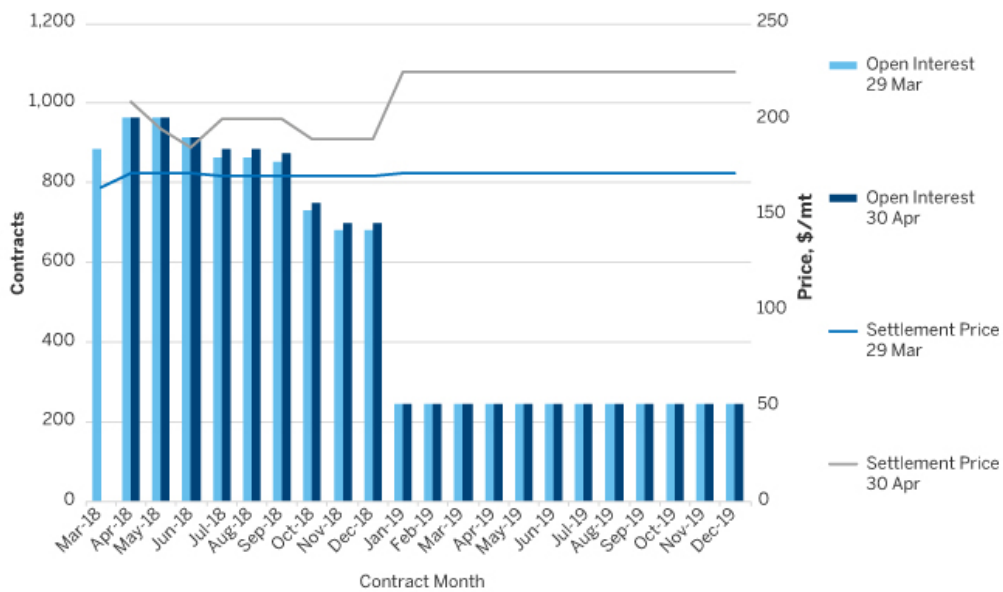
Aluminium European Premium Duty–Unpaid (Metal Bulletin) Futures, AEP Open Interest & Settlement Price: Mar vs Apr 18



Source: CME Group Data as of 30 Apr 2018



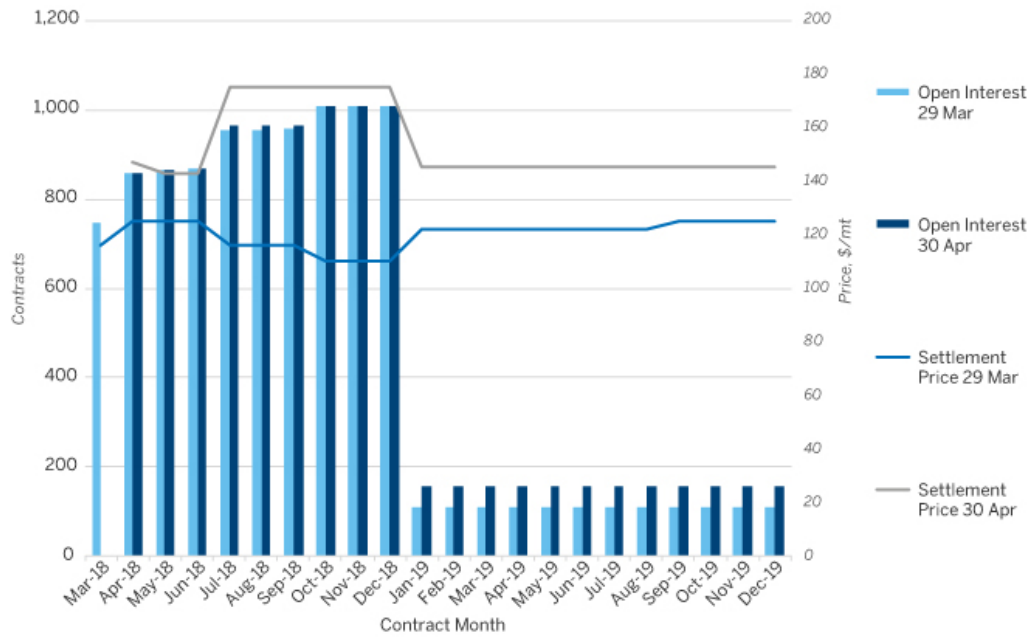
Aluminium European Premium Duty – Paid (Metal Bulletin) Futures, EDP Open Interest & Settlement Price: Mar vs Apr 18



Source: CME Group Data as of 30 Apr 2018



Aluminum Japan Premium (Platts) Futures, MJP Open Interest & Settlement Price: Mar vs Apr 18



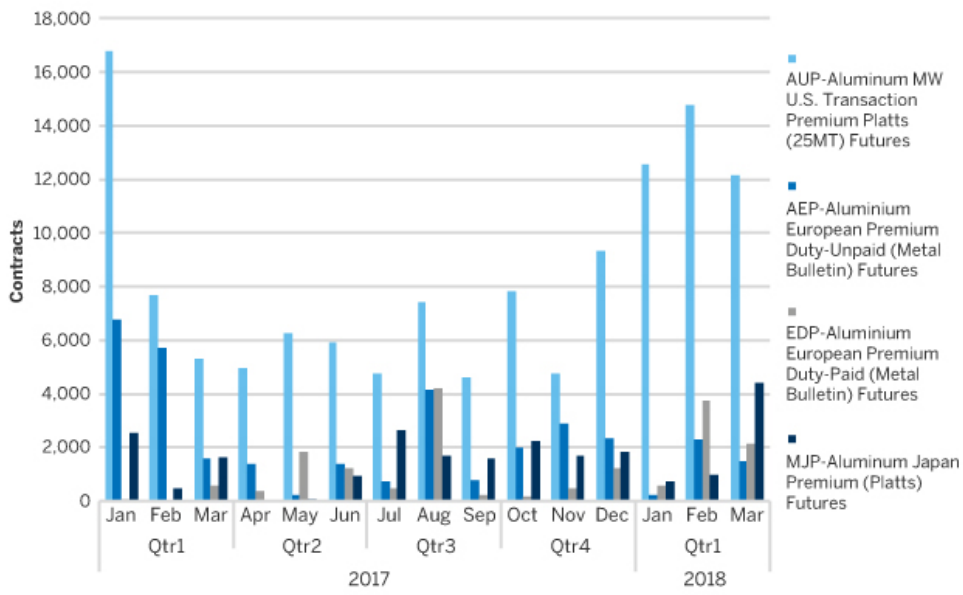
Source: CME Group Data as of 30 Apr 2018



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Monthly Aluminum premium volumes

CME Aluminum Premium Futures - Monthly Volume



Source: CME Group | Data as of 29 Mar 2018



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Aluminum Inventory Movements

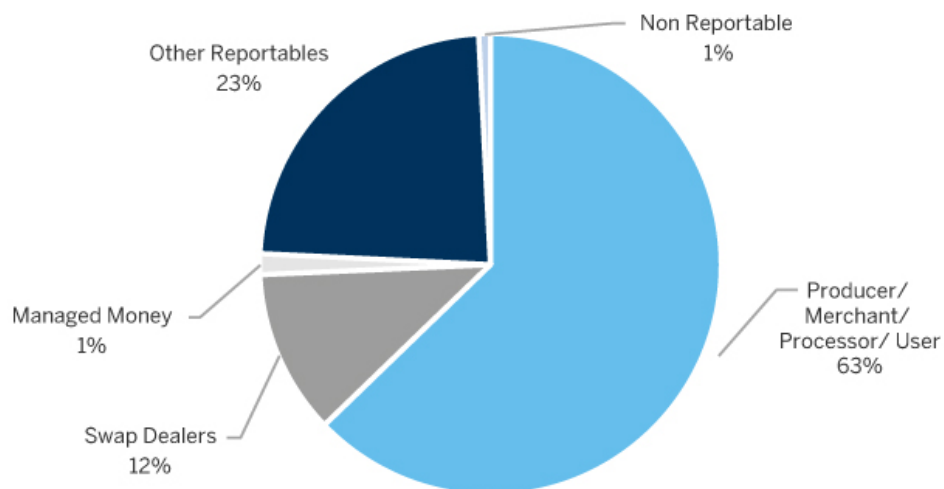
Date	Total Inventory	Eligible	Registered
4/28/2017	37,304	28,675	8,629
3/29/2018	55,266	55,215	51
4/30/2018	10,788	10,737	51
MoM Change, %	-80%	-81%	0%
YoY Change, %	-71%	-63%	-99%

Source: Bloomberg. Data as of 01 May 2018

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Disaggregated Commitment of Traders Report

Aluminum MW U.S. Transaction Premium Platts (25MT) Futures: Open Interest Holders



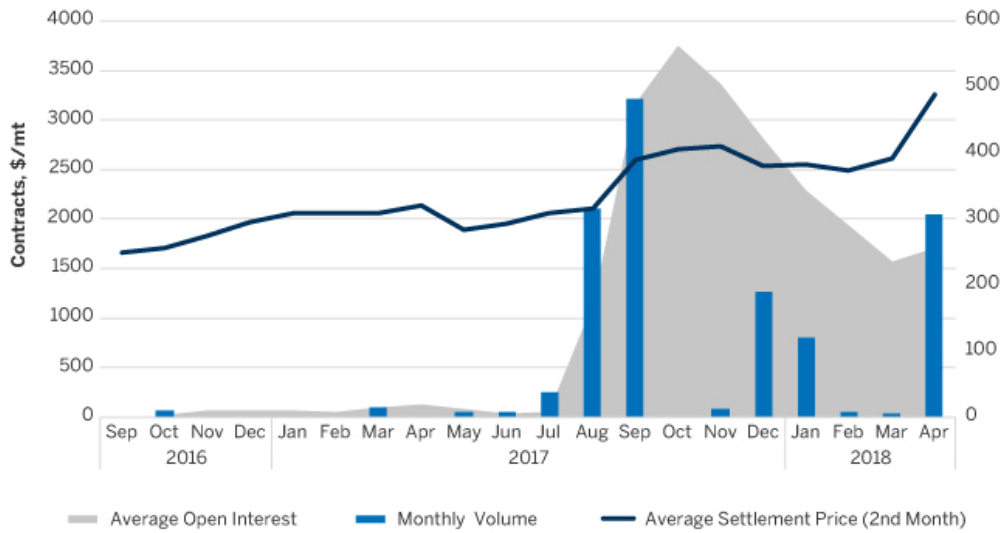
Source: CFTC. Data as of 24 Apr 2018



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Alumina Futures

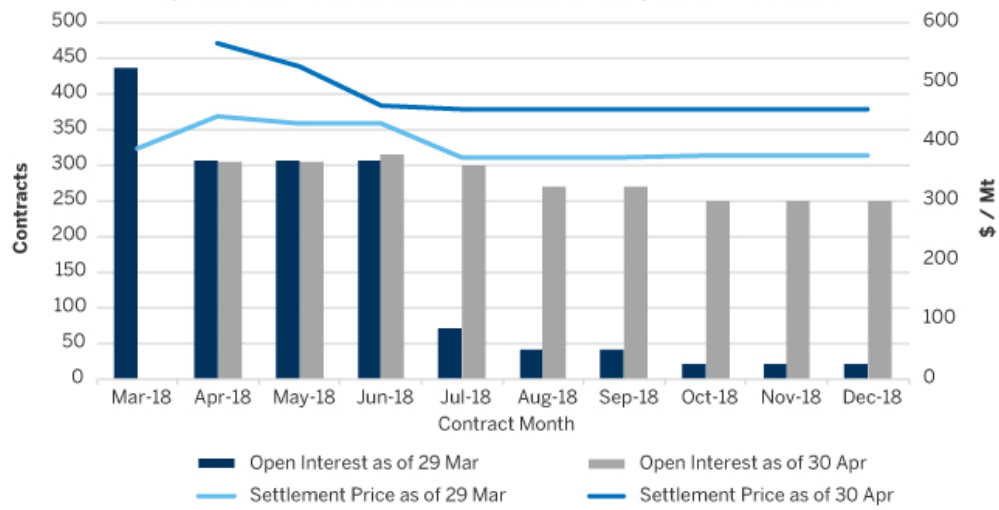
Alumina FOB Australia (Platts) Futures: Volume vs Price vs Open Interest



Source: CME. Data as 30 Apr 2018



Alumina FOB Australia (Platts) Futures Open Interest and Settlement Price: April vs March 18



Source: CME. Data as 30 Apr 2018

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If you have any questions or would like more information regarding this weekly communication, please contact metals@cmegroup.com.