

SE Front Page Stories
HD **Australian alumina sees \$7 weekly gain on firmer Chinese prices and restocking demand**

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The Platts daily Australian **alumina** assessment rose \$2 to \$340/mt on September 19, marking a week of hefty gains, with the assessment up \$7/mt from the end of last week, on **China**'s seasonal stock building during the fourth quarter and high **Chinese** domestic prices.

The Australian assessment is also up \$22.50/mt from a month ago.

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Chinese consumers were spooked by Chalco's unplanned refining cut this week in Henan province, sparked by problems at a red mud dam. But on September 19 a Chalco source told Platts the repairs were nearly complete and refining **operations** may be able to resume next week. The 2.4 **million** mt/year unit was operating at 2 **million** mt/year before its curtailment, and is expected to lose 50,000-100,000 mt of output, the source said.

On September 19, **alumina** buying interest was around \$360/mt, CIF **China**, with selling interest at \$365-370/mt. On September 12 the bid-offer spread was \$350-360/mt CIF. Lately price discussions in Asia have mostly been in CIF **China** terms rather than FOB Australia, as participants look to **Chinese** domestic prices as key indicators. As a guide, FOB Australia bid-offer levels centered around \$338-343/mt on September 19.

A steep run-up in **Chinese** domestic **alumina** prices in the last month has made Australian material cheaper in import parity terms.

As in previous weeks and months, market participants continued to note that there remains a global surplus of **alumina**, as smelting cuts are not being matched with refining cuts. They said **alumina** offers have been harder to come by only because sellers have been deferring as they wait for higher prices.

However, a Western producer was heard to have quietly put an Australian cargo on the market on September 19 for shipment in November or December. The seller did not give price guidance, a prospective buyer said.

Earlier in the week, a producer reported the **sale** of a 30,000 mt Western Australian parcel at \$340/mt FOB, payment 10 days after documents, for shipment in mid-November.

The Platts daily ex-works Henan **alumina** price assessment at Yuan 2,770/mt (\$451/mt) for 70:30 cash and credit payment terms, on September 19, was up Yuan 40/mt, as market sentiment stayed strong on tighter spot availability.

The latest assessment is up Yuan 130/mt from a week ago and up Yuan 300/mt from this time last month.

Joanna Lim, with Sui Ling Phang and Yuencheng Mok in Singapore

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