

SE News Stories; Aluminum

HD **Alumina** boosted by **China's** high domestic prices

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

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The price of Australian **alumina** rose \$4/mt on September 17, taking the Platts daily assessment to \$338/mt FOB, driven by higher **Chinese** domestic prices and seasonal restocking in **China** during the fourth quarter.

The Platts ex-works Henan **alumina** daily price rallied Yuan 30/mt to Yuan 2,730/mt ((\$444/mt) for 70:30 cash and credit payment terms, lifted by tighter domestic spot supply, and production problems at a Chalco refinery in Henan province (see separate story).

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A producer reported the **sale** on September 16 of a 30,000 mt Alcoa of Australia parcel at \$340/mt FOB, payment 10 days after documents, for shipment in mid-November. Platts was unable to verify the deal with the buyer, nor establish if the price was immediately repeatable.

Several Asian and Western consumer, producer and trader sources said the traded price was a few dollars higher than they expected. A Western supplier said he had expected the next spot trade to reach \$337/mt FOB Australia; a Western trader had anticipated the market to trade next at \$336/mt, while two **Chinese** consumer and trader sources put the market clearing rate a shade higher at \$338/mt FOB.

An Asian trader said if he had the chance he would have bid in the mid-\$330s, FOB Australia.

Two **Chinese** consumer/reseller sources put buyers' ceilings at \$357-360/mt CIF. As a guide, the range would have suggested netting back to \$335-338/mt FOB.

A third **Chinese** consumer/reseller placed a **firm** bid at \$335/mt, FOB Western Australia, payment against letter of credit at sight, for a 30,000 mt shipment within October. The bid is valid until 5 p.m. Singapore time (0900 GMT) September 18.

Meanwhile, a fourth **Chinese** consumer/reseller said in the past two days sellers had indicated guidance at around \$340/mt FOB for November shipments.

In **China**, port stocks offers were pegged a shade higher than Yuan 2,700/mt, though trading activity has been thin. Sellers were holding onto material in anticipation of further price increases, sources said.

Chalco's **alumina** production at its 2.4 **million** mt/year refinery in Henan's capital city of Zhengzhou was disrupted September 17, due to possible damage to its red mud dam, sources said.

Two Chalco sources said **operations** had been affected, but did not specify whether **operations** have been reduced or suspended. The refinery was operating at a rate of 2 **million** mt/year before the incident, a source said.

Chinese alumina prices have been rising steadily in the past week on the back of limited spot availability and strong sentiment in anticipation of seasonal restocking demand in the fourth quarter.

The front-month October aluminum contract on the Shanghai Futures Exchange rose Yuan 110/mt to Yuan 14,415/mt, compared with Yuan 14,610/mt last week.

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

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