

SE News Stories; Aluminum
HD **Australia alumina flat at \$332.75/mt; supplies ample**

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The Platts daily assessment for Australian **alumina** was flat at \$332.75/mt FOB on February 13 with clear signs of ample supplies of both Australian and Western-origin cargoes.

There was no shortage of **alumina** on a global scale and supply was readily available in the Asia-Pacific region and from the West, several market participants said.

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A consumer/reseller reported receiving two offers from traders for standard-sized Western Australia parcels for March loading at between \$355-359/mt, CIF **China**. Separately, a second consumer/reseller reported receiving an offer for 50,000 mt Brazil material for March loading at \$358/mt, CIF **China**. "The large cargo size would require additional financing costs. Plus, at this price, I'd prefer to buy Australian material," he added.

Buyers were expecting a further softening in prices and were not desperate to pick up tonnage as their inventories were full. Low aluminum prices on the London Metal Exchange and Shanghai Futures Exchange continued to dampen buying interest for **alumina**, sources also said. "Even with the higher premiums on the LME, there's still a high cost of capital and very little return," a consumer said.

The second consumer/reseller agreed that smelters faced high operating costs. "**Chinese** smelters operating costs are high and domestic aluminum prices are low, putting an additional squeeze on their cashflows," he said.

Market participants were eagerly awaiting the results of two **alumina** sales. India's Nalco closed late on February 12 a tender to sell a prompt end-February/early March lot, but it was not known on February 13 whether the **sale** had been awarded officially. BHP Billiton was collecting bids in its auction of a March shipment of Worsley material from Western Australia. Bids were due by 10pm Singapore time (1400 GMT).

The Platts daily Handysize freight assessment for **alumina** from Western Australia to northeast **china** fell \$1 to \$23.50/mt on February 13, basis 30,000 mt **alumina** cargoes for March loadings.

The Platts **China alumina** assessment for Henan province was rangebound on February 13 at Yuan 2,520/mt (\$412/mt) ex-works for 70:30 cash and credit terms in thin spot market activity.

China's Shandong Lubei Enterprise will maintain its 1 **million** mt/year **alumina** refinery running at 50% capacity in 2014 because of continued bauxite supply concerns and weak market conditions, a **company** source said on February 13.

Most **Chinese** importing refiners have been stockpiling before the ban and currently have enough reserves to last six months to a year. They have also started sourcing supply from new markets such as Fiji, Guyana, Guinea, and the Dominican Republic.

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