

## Aluminium prems seen up on RUSAL-Glencore deal talk

by [Reuters News](#) on 16 September 2009, 13:08 PM [0 comments](#) , 80 views  
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LONDON, Sept 16 (Reuters) - Aluminium premiums in Asia and parts of Europe are expected to rise on the back of speculation Russian aluminium giant RUSAL has agreed to sell another 500,000 tonnes of the metal to trading house Glencore.

Both Glencore and UC RUSAL, the world's biggest aluminium producer, declined to comment on the talk. Heavily indebted RUSAL was reported in to have sold Glencore 800,000 tonnes of aluminium in June in a bid to raise cash.

If the current talk holds true, a total 1.3 million tonnes of aluminium, out of a 37 million tonne a year market, will be held by the Swiss trading house.

"It's going to affect long term premiums in the Mediteranean region. Previously Rusal used to sell to a few companies directly ... people used to buy metal from St Petersburg and ship it directly to consumers. Now Glencore has control of that metal and nobody knows what Glencore will charge them," said a London-based physicals trader.

**Market talk is of a \$150 dollar per tonne premium for east Mediteranean aluminium on a cif - cost insurance and freight - basis.**

Premiums for physical metals are the charges paid by the consumer to cover the costs of shipping and delivery on top of the price levied by the exchange.

The RUSAL-Glencore deal talk is also expected to lift premiums in the Adriatic and Black Sea region as dealers said part of RUSAL's production was headed there.

Meanwhile in Japan, mosts term premiums for fourth quarter aluminium have been agreed at around \$115 a tonne, a 14-year high, compared to around \$70 for the third quarter.

When RUSAL reportedly first sold Glencore metal in June, it told Japanese consumers it had no supplies to offer for the third quarter, forcing buyers to accept a 30 percent hike from producers.

RUSAL has since said it will supply aluminium to Japan in the fourth quarter, but Japanese buyers remain cautious, with some saying their buying programme is based on the possibility there will be no supplies from the firm.

"Japanese premiums are coming up quite a lot now because RUSAL didn't want to deliver anything there and it would be the same for the Mediterranean and Black Sea regions," said a Norway-based physicals trader.

Benchmark aluminium on the London Metal Exchange, which has weakened for much of the past month and is currently trading near \$1,900 a tonne, is as yet unaffected by the RUSAL-Glencore deal talk.

Likewise premiums for duty paid aluminium in Rotterdam are currently at around \$60-70, not much changed from a month ago.

"It's not going to drastically change the warehouse premiums in Rotterdam because there is a lot of aluminium in Rotterdam and that isn't going to go away any time soon," said the London-based physicals trader.

Glencore owns 9.7 percent of RUSAL, which is battling to repay more than \$7 billion of debt to international banks.

On Tuesday, senior bankers said the September 18 deadline for RUSAL to restructure its foreign debt will likely be extended to finalise documentation.