News Release Archive

S&P Global Platts To Publish Implied Duty-Unpaid U.S. Midwest Aluminum Price Assessments

Provides additional transparency into the effect of tariffs on the price of aluminum

WASHINGTON, July 27, 2018 /PRNewswire/ -- S&P Global Platts, the leading independent provider of information and benchmark prices for the commodities and energy markets, today announced it will publish new price assessments for implied duty-unpaid U.S. Midwest aluminum P1020 values, as well as a daily calculated import duty assessment, effective August 1, 2018.

Ian Dudden, Global Content Director, Metals & Agriculture, S&P Global Platts, commented:"Following extensive formal consultation with market participants from across the aluminum supply chain, we are pleased to start publishing a new series of implied duty-unpaid U.S. Midwest Aluminum price assessments. These complement our existing U.S. Midwest Transaction Premium and the all-in Transaction Price benchmarks, which assess the market value of aluminum, delivered duty-paid to the U.S. and include material from all origins.

"Our new implied duty-unpaid price assessments provide market participants with greater transparency of aluminum values in a tariff environment. Within the U.S., there are a number of aluminum grades that trade as a differential to the primary aluminum reflected in the Midwest Transaction Premium, such as aluminum scrap and cansheet aluminum. These grades may not be subject to duties and our new implied duty-unpaid price assessments allow for valuation comparisons for other non-tariffed aluminum. They will also help participants outside of the U.S. assess duty free market value".

The new daily assessments and their weekly and monthly averages will be published in U.S. dollars per metric ton ($/mt) and cents per pound (cents/lb), and will adhere to our published methodology – available on the Platts website. They include:

- Aluminum P1020 U.S. Import Duty – a daily assessment of the value of the import tariff charged on U.S. imports of primary aluminum
- Aluminum P1020 MW U.S. Transaction Premium (Implied Duty-Unpaid) delivered U.S. Midwest – calculated by deducting the assessed value of the import tariff from the U.S. Midwest (Delivered Duty-Paid) Transaction Premium assessment
- Aluminum P1020 Transaction Price (Implied Duty-Unpaid) delivered U.S. Midwest – calculated by deducting the assessed value of the import tariff from the all-in Transaction Price assessment
- Aluminum US P1020 Duty Freight Factor – this determines the freight costs to net back to a free on board (FOB) Canada basis, which will be used as the basis for the duty calculations. Canada is the source of over 50% of U.S. unwrought aluminum imports.

The decision to launch these assessments follows extensive consultation with market participants, which commenced with informal engagement in late 2017 and culminated in a formal consultation process that ran from June 21, 2018 to July 20, 2018, and included an open Technical Workshop in Chicago on July 17, 2018.

The new implied duty-unpaid price assessments will be published alongside Platts' existingCIF New Orleans Duty-Unpaid

premium assessment, which was launched in February 2018 to provide insight into the duty-unpaid price of aluminum as delivered on a cost, insurance and freight basis (CIF) into New Orleans, Louisiana, a hub for aluminum imports.

No changes have been made to the existing U.S. Midwest Transaction Premium benchmark, which has been published since 1984 and reflects regionally-specific market conditions in the U.S., including supply and demand, tariffs and the regional cost of logistics, such as trucking freight and handling charges. The U.S. Midwest Transaction Premium is assessed using bids, offers and trade data collected from active market participants, and reflects the basis upon which physical spot market trade occurs. It demonstrates the value of primary P1020-grade aluminum, which is used in the manufacturing of automobile parts, appliances, beverage cans and packaging, as well as a feedstock for other aluminum alloys.

Full details of the methodology for the new U.S. Midwest Transaction Premium Implied Duty-Unpaid price assessments can be found here.

CONTACT
Kathleen Tanzy, + 1 917 331 4607, kathleen.tanzy@spglobal.com

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For further information: Kathleen Tanzy, + 1 917 331 4607, kathleen.tanzy@spglobal.com; EMEA: Arnaud Humblot +44 207 176 6685, arnaud.humblot@spglobal.com and Alex Brog +44 207 176 7645, alex.brog@spglobal.com

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