

# Aluminium low-carbon differentials: P1020A and value-added products, Europe



Methodology and price specifications – November 2023

## Mission statement

Fastmarkets Metals, Minerals And Mining is the leading global provider of pricing intelligence for the non-ferrous metal, steel, steelmaking raw materials, industrial minerals, ferrous and non-ferrous scrap markets, producing price assessments via Fastmarkets MB and Fastmarkets AMM since 1913 and 1882 respectively.

Fastmarkets Forest Products is the leading global provider of pricing intelligence for the global forest products industry, incorporating Fastmarkets RISI, Fastmarkets FOEX and Random Lengths.

And Fastmarkets Agriculture Products has delivered pricing transparency to opaque agriculture and energy markets in the form of market-moving reporting and commentary, trusted pricing and price forecasting since 1865.

Our mission is to meet our markets' data requirements honestly and independently, acting with integrity and care to ensure that the trust and confidence placed in the reliability of our pricing methodologies is maintained. We do not have a vested interest in the markets on which we report.

## Introduction

Fastmarkets' reporters are required to abide by a **code of conduct** and clear pricing procedures during their market reporting and pricing activities. Fastmarkets is completely independent and has no vested commercial interest in any of the markets it prices.

We are the world's largest dedicated price-reporting team for metals and minerals, agricultural products and forest products. We have hubs in London, New York, Boston, San Francisco, Eugene, Charlottesville, Atlanta, Pittsburgh, Memphis, Sao Paulo, Beijing, Shanghai, Hong Kong, Singapore, Malaysia, Melbourne, Mumbai, Istanbul, Brussels and Helsinki.

The aim of this document is to provide a clear overview of Fastmarkets' methodology and specifications for the prices it assesses. If you have any questions, please contact Global Head of Editorial & Pricing Perrine Faye at [perrine.faye@fastmarkets.com](mailto:perrine.faye@fastmarkets.com) for metals and minerals, Forest Products Senior VP of Indices Matt Graves at [mgraves@fastmarkets.com](mailto:mgraves@fastmarkets.com) for forest products or Editorial Director Tim Worledge at [tim.worledge@fastmarkets.com](mailto:tim.worledge@fastmarkets.com) for agricultural products.

## Price discovery and methodology

### What is a differential?

There are two Fastmarkets low-carbon aluminium differentials: one for primary aluminium (P1020A); and one for value-added products (VAPs) - aluminium billet, foundry alloys, slab and wire rod. A differential means the market can be at a premium, a discount or at parity (0). The differentials will be published as an assessed range unless the low-carbon aluminium market is assessed at 0.

### Methodology rationale

Fastmarkets produces independent, fair and representative price assessments and indices of metals and forest products prices on a daily, bi-weekly, weekly, monthly or quarterly basis. Fastmarkets' rationale for adopting the price-discovery process described in this methodology document is to produce consistent and representative indicators of value for aluminium low-carbon differentials over defined trading periods.

The assessments are made by a dedicated primary aluminium price reporter and, when not available, by a back-up reporter within the aluminium team. There are also two back-up reporters from other base metals who are trained to be able to price these aluminium differentials.

### Defining low-carbon aluminium

For data to be accepted, it must meet and reflect the standards set in the specifications: a maximum of 4 tonnes of CO<sub>2</sub> equivalent (4tCO<sub>2</sub>e) per tonne of aluminium produced, outlined in the [Green House Gas Protocol Scope 1 and 2 emissions](#).

Under the protocol, Scope 1 carbon emissions refers to the direct carbon emissions from a smelter. Scope 2 carbon emissions refers to the carbon emissions from a smelter's power source.

Fastmarkets' assessment does not take into account carbon offsets, i.e. reductions in carbon emissions made to compensate for emissions made elsewhere.

Fastmarkets will continue to monitor shifts in the definition of low-carbon aluminium and adapt its specifications and methodology accordingly.

To verify data submitted, Fastmarkets may seek confirmation of provided data by requesting to see contracts or other signed paperwork such as smelter

carbon emissions certifications before inclusion of the data in the price assessments. If this is not possible, the data supplied may be excluded or discarded from the assessment process.

In the future, it is possible Fastmarkets could accept brands or smelter origins from a list compiled by major industry bodies.

### Assessment objective

The assessor's intended aim is to reflect Fastmarkets' assessment price definition:

'The prevailing level at which a commodity of stated specification has or could be expected to have transacted over a defined period of time.'

We summarize this for effective use as the prevailing 'tradeable level' of the market.

### Time window

The window for the two Fastmarkets low-carbon aluminium differentials was determined after considering the number of data points that Fastmarkets can reasonably expect to collect on a consistent basis over the selected period to support the price assessment process, ensuring that the assessments produced are reliable indicators for the physical market they relate to.

The price assessments are published monthly, on the first Friday of each month between 3pm and 4pm London time and the deadline for data submission is 3pm London time. Data received after this time will not be included in the price assessment. The data collection window runs from the preceding price's publication until the data submission deadline. Only data points communicated to Fastmarkets within the data collection window will be included in the price discovery process. The published prices are reflective of the levels seen during this stated collection period.

### Data contribution

Fastmarkets reporters aim to collect data from a broad sample of market participants specifically involved in the physical primary aluminium (P1020A) and value-added products (VAPs) markets, with a good representation of both sides of the market, including producers and consumers, as well as traders and intermediaries.

When deals are reported to Fastmarkets, a reporter will ask whether there is low-carbon aluminium differential included.

If so, the section of the deal which is a low-carbon

differential will be entered into the assessment process for the low-carbon differential, and the underlying premium will be entered into the process for the market it relates to.

For example: If a deal was reported at \$100 per tonne for aluminium P1020A dup Rotterdam, in-whs, with a \$5 per tonne low-carbon differential, the \$5 per tonne would be entered into the low-carbon P1020A differential assessment process and the underlying \$95 per tonne would be entered into the P0120A dup Rotterdam, in-whs, premium assessment process.

If no low-carbon differential is included, even if the deal is for a low-carbon brand of aluminium, the deal will only be used in the underlying premium assessment which it relates to. See infographic on page 10.

Data is collected from industry participants directly involved in the market primarily by telephone but also by email, digital messaging, face-to-face interaction or by direct submission. All data supplied to Fastmarkets is kept confidential and stored in our secure online pricing database system MInD (Market Information Database). Fastmarkets may sign a Data Submitter Agreement (DSA) with any data provider, if requested to do so, to maximize the number of data points collected for inclusion in the assessment process. Any data received subject to a DSA will be used in the pricing assessment but will not be commented on.

Market participants may contribute data following a review by Fastmarkets of their activities. The aim is to ensure that submitters have sufficient visibility and understanding of the market in question to be able to provide reliable price data. We expect that data submitters taking part in the pricing process are authorized to report market data on behalf of their organizations. Fastmarkets encourages organizations to submit all their pricing data, especially all the concluded transactions. Price reporters generally speak to, and collect data from, front office staff directly involved in the commercial activity of buying and selling of aluminium. Fastmarkets also welcomes organizations to submit transaction data from authorized back-office functions. Fastmarkets' Data Submitter Policy provides guidelines to ensure the high level of data quality and integrity we expect from contributing organizations providing pricing data. The policy can be found on Fastmarkets' website, or is available on request.

Depending on market liquidity, Fastmarkets reserves the right to also base its prices on bids, offers, deals

heard and market participant indications of prevailing tradeable values or other indications such as trigger prices that might prompt a sale or purchase.

## Price specifications and reference units

Fastmarkets has clear specifications for all the price points that it covers. All the reference units, such as currency and volume, are in line with the trading conventions used in the recognized metals and forest products markets.

Fastmarkets has defined clear specifications for its aluminium low-carbon differentials, as outlined below, to match the industry standard. These specifications have been determined in consultation with market participants and are regularly reviewed. All the reference units, such as currencies and volumes used in the assessments, are in line with recognised aluminium market conventions and trading practices. The specifications also have a published minimum volume size accepted.

Fastmarkets aims to collect full details of each transaction, bid and offer, including brand, commercial terms and any other details relevant to value and pricing. Reporters ensure that the information they receive meet the specifications or can be normalized to them. Any data that does not fall within the stated quality ranges of the specification will not be eligible for consideration in the assessment.

## Data analysis and producing the price assessment

### Establishing a data hierarchy

After having ascertained whether market activity observed has a specific low-carbon differential included, the reporter produces the price assessment by establishing a consideration hierarchy based on an evaluation of first, their confidence in the data's reliability, and second, the significance of the data.

The confidence level, or trustworthiness, of a data point is generally based on the transparency of the activity, whether it was reported by a party directly involved or was 'heard' activity, corroboration by other market participants and the level of detail provided

by the data submitter, although there may be other contributory factors.

For indications of tradeable levels or other indication of willingness to sell or purchase, confidence may be determined based on the justification provided by the submitter, their visibility and activity level in the market, and their prior reliability.

The significance of a data point is determined based on its effectiveness in identifying the tradeable level of the market under assessment. Transactions are considered highest in the significance hierarchy, 'tight' bids/offers are of secondary importance, followed by data sources' own indications of a tradeable level when they have no business to report. Tight bids/offers are typically defined as those being within the range of transaction and/or indication data points, thereby helping narrow our assessment of the tradeable range. More speculative bids/offers, outside of the range of other data, would typically be of lowest significance. In some circumstances, firm bids higher than transactions or offers lower than transactions may be considered of high significance if deemed to demonstrate a clear directional change in market floor or ceiling levels.

The published assessment will typically be reflective of the highest-confidence and highest-significance data collected in that pricing session.

In pricing sessions with little or no data of sufficient quality, extra caution will be applied, and reporters may exercise their judgment to keep a price assessment unchanged as a fallback until activity can be confirmed with greater certainty.

All Fastmarkets price specifications define the minimum lot size accepted. When volume information is available, this is also taken into consideration in the assessment process. As a general rule, larger deals may typically be considered more significant, but Fastmarkets also tries to ascertain what sort of price differential different lot sizes might carry.

Fastmarkets will also compare the information received from a single source with the information provided by the same source in the previous pricing cycle. This way, if a source consistently gives lower or higher indications than the consensus, Fastmarkets can still use the data for directional context without it unduly influencing its assessment.

### **Normalization**

Where necessary in certain assessments, data that falls

within the stated specification ranges for consideration may be normalized to determine the equivalent price for the respective base specification if one exists. This may include, for instance, variances in material type or quality, delivery terms of location, payment terms or cargo size.

A typical example is a data point that is adjusted due to Incoterms (international commercial terms) being different from Fastmarkets' specifications.

Another example is a price that is either net-back or net-forward due to payment terms different from Fastmarkets MB specifications. Payment terms are based on typical commercial practice.

Transactions that are conducted on different payment or credit terms can be normalized, taking into account discounts, interest rates and standard commercial terms.

Fastmarkets' price specifications also define the minimum lot size accepted. When volume information is available, this is also taken into consideration in the assessment process. Typically, a deal with a bigger volume will be considered more significant in the price reporter's judgement than a smaller volume transaction. However, price reporters will also consider, for instance, normalizing or discarding a reported deal where it is suspected an abnormally large or small volume may have unduly distorted its price.

Normalization also allows Fastmarkets to capture and normalize factors other than chemical and physical properties, such as values associated with individual brands.

Fastmarkets increased the number of brands accepted for its spot MJP assessment in August 2018 to include all material that complies with its specifications and those of the London Metal Exchange. Origins such as India, Brazil, Egypt, Malaysia and Indonesia are netted back to spot premiums recorded for most-traded origins – currently Australia and the Middle East – using in-house calculations that represent prevailing commercial terms. The net-back rates, or discounts as is currently the case, are based on estimates from active market participants in Japan and are constantly reviewed.

Fastmarkets reserves the right to discard data from nonmainstream origins if there are no commonly accepted netbacks.

Fastmarkets excludes material sold from LME warehouses and brands that are subject to international

sanctions, as is the case for Iran and Russia currently. This is to be reviewed if and when sanctions are lifted.

Full details of data inputs prior and post normalization are stored in Fastmarkets' electronic database MInD and may be accessed at any time for internal review and auditing purposes.

Where prices cannot be normalized with sufficient confidence or precision, such data may be discarded from the assessment. Fastmarkets' aim is to balance the requirement to keep assessments reflective of their base specifications with the need to source a sufficiently robust data set for consideration.

### **Minimum data threshold**

In order to provide a representative price for the market, the price reporter aims to collect as many representative data points as possible within the defined window. Since commodity markets differ in liquidity levels at different periods, the methodology does not set any minimum number, or threshold, of transactions to be gathered on which to base the assessment.

A pricing session typically includes concluded transactions, bids and offers, contributors' market indications or deals heard.

In each pricing session, reporters aim to source data from a suitably diverse set of participants from a cross section of the market (producers, consumers, traders). In the unlikely situation that more than half of the pricing data collected in a session is provided by a single source, the assessor may refer to data collected in the previous pricing session to avoid a dependency on a single entity providing an unacceptably significant (50% or more) proportion of data.

### **Criteria for discarding pricing data and the removal of outliers**

Fastmarkets price assessments are intended to reflect the 'open and competitive' market level. Reporters therefore may apply expert judgment to exclude data deemed unrepresentative, questionable or unreliable prior to consideration in the final assessment. Data that falls outside of the respective assessment specifications, or which cannot be normalized to a base specification with sufficient confidence, is also discarded. Decisions to discard data points are recorded in the form of a written rationale in our internal pricing database, where they are reviewed and approved under the two-tier peer review process.

Data may be discarded as outliers based on the

identification of external factors that may be distorting the price. Price-affecting side terms, inconsistencies in information reported, or suspected motivation to unfairly influence the price discovery process would typically be grounds for removal of data, as would activity not considered to have taken place at 'arm's length'. Outliers will be investigated; more detail, such as contracts and paperwork, may be requested to determine possible reasons behind an anomalous price, and efforts will be made to identify the counterparty to cross-verify information. Suspected attempts to influence the assessment unfairly may result in the data provider being warned or excluded. Fastmarkets reserves the right to see contracts and signed paperwork before inclusion of the data in the assessment. If this is refused, the data supplied may be excluded from the assessment process.

### **Low liquidity measures**

In an evolving market, spot trade can be limited and sporadic. Term contracts currently dominate the low-carbon aluminium market, and Fastmarkets will pay close attention to annual and quarterly negotiations to monitor the market's evaluation of the differential.

During the contractual negotiation period, whether annual or quarterly, Fastmarkets reporters will gather bids, offers and concluded differentials and apply editorial judgment to derive an assessment range. In between contractual negotiation periods, Fastmarkets will continuously test market conditions, referencing the most recent contractual negotiations but also taking account of current market conditions influencing participants' view of the current value of the low-carbon differential. Factors affecting the low-carbon differential may include increased or reduced demand, supply disruptions, new brands of low-carbon aluminium arriving in the market and new or revised government carbon emissions policies.

In markets that trade only sporadically on a spot basis, a whole-session assessment approach creates a fairer reflection of market conditions over time. The whole session approach for a monthly price can mean that a wide range of prices or evaluations is reported. The aim is to identify the prevailing market level, without undue weight to specific data, such as favoring activity that has taken place toward the end of the pricing period. If a wide range of prices becomes the norm over a monthly period, this would amount to a compelling argument for increasing the frequency of the assessment, pending the result of an open consultation.

## Data publication

### Peer review process

All Fastmarkets' price assessments are set by a first reporter who covers that specific market, peer reviewed by a second reporter, and always signed-off by a senior reporter or editor prior to publication. This peer review process, which takes place in Fastmarkets' MInD system and is fully auditable, is in place to make sure that pricing procedures and methodologies are correctly and consistently applied and to ensure integrity and quality of the published prices. Relevant information, including all price inputs and editorial judgements, are securely retained in MInD for at least five years to maintain a full audit trail. Price reporters are formally trained in the price discovery process and must abide by a written Code of Conduct and Pricing Procedures.

For certain prices Fastmarkets also publishes pricing rationales to explain the assessment, describing why a particular price or range was determined based on the market information collected. These notes explain for instance whether any data has been excluded and why, information on the data collected and whether fallback procedures have been applied.

### Publication

At the end of the peer review process, Fastmarkets MB and AMM publish their price assessments via MInD and on the Fastmarkets Dashboard and on product-specific websites and in the Price Book. Fastmarkets RISI, FOEX and Random Lengths publish their price assessments on the Intelligence Center, mobile app and in dedicated newsletters.

The Aluminium low-carbon differentials are reported as ranges, which reflect where the bulk of the business has been or is likely to be concluded.

To enhance market transparency and to provide evidence of data inputs that support the price discovery process, Fastmarkets may publish trade logs for its aluminium prices (while maintaining full counterparty confidentiality) detailing pricing data and volumes received from data contributors.

Fastmarkets also publishes pricing rationales to explain price settlement and editorial judgment. These notes explain, for instance, why price reporters may conclude whether anomalous or suspicious data should be excluded; when reporters determine a price and a price range based on market information; or when judgment is applied when the dataset collected is not considered suitably robust so that fallback procedures need to be applied.

### Corrections and delays

If an assessment is published incorrectly, it will be rectified and republished as soon as possible. A pricing notice explaining the reasons for the correction will also be published promptly.

Fastmarkets uses several procedures and measures to avoid delays in the publication of its assessments. In the event of a delay, however, Fastmarkets will inform subscribers as soon as possible.

In the event of late publication, only data that has been received within the correct standard timeframe will be included in the assessment. No assessment will be amended due to the emergence of new data or market activity after the initial publication. Retrospective changes to the published values will only be made in cases of technical, administrative or interpretation error in line with Fastmarkets' Correction Policy.

## Methodology and price specification review process

### Methodology review and pricing notices

Fastmarkets aims to continually develop and periodically review its methodologies in consultation with industry participants, with the objective to adopt product specifications, trading terms and conditions that reflect and are representative of typical working practices in the industries it serves.

As low-carbon aluminium is a new and developing market, Fastmarkets expects there may be changes to the methodology's specifications in the future. These changes could include pricing frequency and carbon limits. As well as the future possibility of breaking up the low-carbon aluminium VAP basket.

Fastmarkets carries out a formal review and approval of its methodology and price specifications on an annual basis. The process is initiated by Fastmarkets publishing on its website an open consultation at least one month (or around 20 working days) before the annual methodology review is due, inviting market feedback over the duration of that period. The timeframe for the consultation and method of submission are both clearly stated.

Following a review of market participants' feedback,

comments and suggestions, Fastmarkets concludes the consultation by publishing a notice stating whether or not any methodology changes are proposed. If suggested, changes are classified either as 'material' or 'immaterial'. Material changes are those that, once implemented, may result in fundamental changes to the published price. These include specification changes or structural changes to assessments. Immaterial changes are those that will not result in a different price level once they are implemented.

If a material change to the methodology is required, Fastmarkets includes in its pricing notice: the outline of the proposed change; the rationale or motivation for proposing such a change; and a proposed timetable for the date on which, if the change goes ahead, it would be implemented. If received feedback is considered insufficient to support a material change, Fastmarkets publishes a new notice extending the consultation and inviting comments on the new proposal.

A record of the methodology review is sent to the Risk & Compliance team. All comments received from the market are assumed to be confidential and are treated as such unless stated otherwise.

When Fastmarkets proposes a change to the methodology, it should be understood that no decision has yet been made and that the proposal to make a change should not automatically be understood as confirmation that the change will happen.

For prices subject to EU Benchmark Regulation (BMR), any change to the methodology requires approval from the Managing Director of our benchmark administrator, Fastmarkets Benchmark Administration Oy.

Outside of the formal methodology review process, editors may from time to time suggest changes or additions to reflect market developments. As with the formal review, changes to the existing methodology will either be classed as 'material' or 'immaterial'. The process for implementing the change will be the same as outlined above for formal reviews. The minimum duration of one month (or around 20 working days) for the consultation process normally provides market participants sufficient opportunity to analyze and comment on the impact of the proposed change.

For more details on the formal review of the methodology and the consultation process to propose changes to the methodology, refer to Fastmarkets' Methodology Review and Change Consultation Process available on the Fastmarkets website.

## The evolution of pricing

Fastmarkets develops and adjusts its pricing mechanisms in response to changing market conditions. The evolution of long-term contracts to index-linked pricing often occurs as industry players seek to link their pricing to market fundamentals and spot market activity. This trend has been seen clearly in the aluminium market. While Fastmarkets does not seek to drive the direction of the markets it covers, it aims to identify opportunities where spot market activity can be captured, and greater transparency provided through new price assessments.

The development of a pricing mechanism is a process, and as liquidity increases, the sophistication of the pricing methodology can be increased.

## Queries and complaints

Fastmarkets encourages engagement from the market on its pricing principles and methodology. The company promotes understanding of its pricing procedures and is committed to responding to requests for further information and clarification on a timely basis.

There are multiple channels for interaction with the pricing team including email, telephone and instant messenger services.

If a subscriber has an issue with the published prices, then they may contact the pricing team. In the event that the response is not satisfactory the issue may be escalated to the internal compliance department. For more details refer to Fastmarkets' [Complaint Handling Policy](#) available on Fastmarkets' website.

Fastmarkets takes all queries and complaints seriously and will seek to provide an explanation of the prices wherever possible. It is important to note, however, that input data remain confidential and cannot be provided to third parties.

## Calculation of average prices

There is a monthly average high price and average low price. The LME monthly averages are calculated by dividing the sum of the daily bid/ask mean by the number of trading days during the month.



## Calculation of inferred prices

Fastmarkets will also be publishing some inferred mid-point low-carbon aluminium prices. These will be calculated using the mid-point of the underlying premium and the mid-point of the low-carbon aluminium differential.

The below inferred prices will be published (this may expand as market demand increases):

MB-AL-0377	Aluminium P1020A premium, in-whs dup Rotterdam, inferred low-carbon mid-point, \$/tonne
MB-AL-0378	Aluminium P1020A premium, in-whs dp Rotterdam, inferred low-carbon mid-point, \$/tonne
MB-AL-0379	Aluminium 6063 extrusion billet premium, ddp Italy (Brescia region), inferred low-carbon mid-point, \$/tonne
MB-AL-0380	Aluminium 6063 extrusion billet premium, ddp North Germany (Ruhr region), inferred low-carbon mid-point, \$/tonne

These differentials could be used on top of Fastmarkets' underlying European P1020 and VAP premiums including, but not limited to:

MB-AL-0346	Aluminium P1020A premium, in-whs dup Rotterdam, \$/tonne
MB-AL-0004	Aluminium P1020A premium, in-whs dp Rotterdam, \$/tonne
MB-AL-0316	Aluminium P1020A premium, fca dp Italy \$/tonne
MB-AL-0319	Aluminium P1020A premium, fca dp Spain, \$/tonne
MB-AL-0300	Aluminium 6063 extrusion billet premium, ddp Italy (Brescia region), \$/tonne
MB-AL-0302	Aluminium 6063 extrusion billet premium, ddp North Germany (Ruhr region), \$/tonne
MB-AL-0002	Aluminium 6063 extrusion billet premium, in-whs dp Rotterdam, \$/tonne
MB-AL-0299	Aluminium 6063 extrusion billet premium, ddp Spain, \$/tonne
MB-AL-0339	Aluminium primary foundry alloy silicon 7 ingot premium, ddp Germany, \$/tonne

MB-AL-0340	Aluminium primary foundry alloy silicon 7 ingot premium, ddp Eastern Europe, \$/tonne
------------	---

The low-carbon VAP assessment could also be used as an upcharge for other aluminium products, such as slab and wire rod, that Fastmarkets does not currently assess.

## Become a contributor to the price discovery process

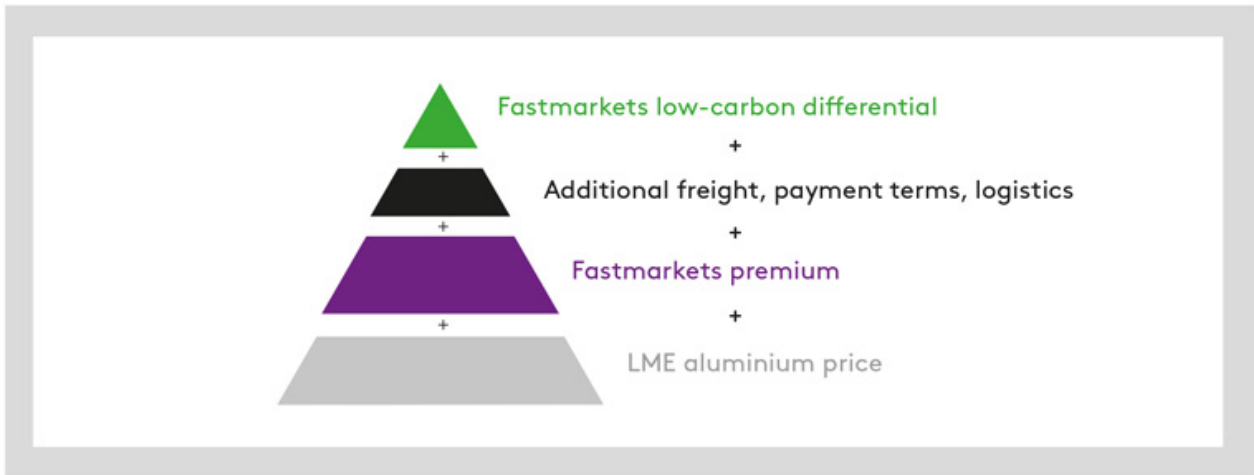
Fastmarkets continually seeks to increase the number of market sources willing to take part in the price discovery process. The main condition Fastmarkets requires from contributors is for them to be active participants in the relevant market bring priced.

Fastmarkets' Data Submitter Policy provides guidelines defining the high level of data quality and integrity that Fastmarkets expects from contributing organizations providing pricing data. Market participants that wish to provide pricing data and be part of the price discovery process should first read the [Data Submitter Policy](#) available on the Fastmarkets website. The Policy is communicated to all data submitters at least on an annual basis.

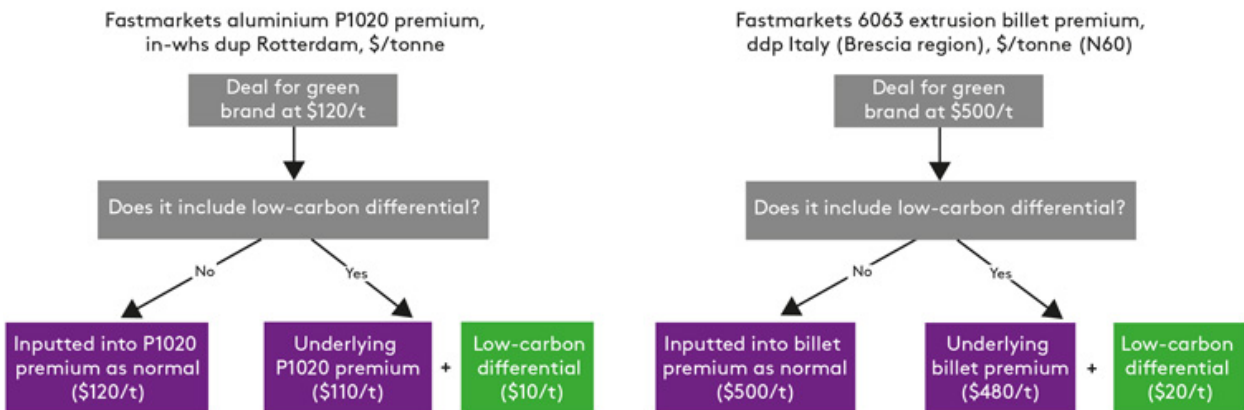
All data sources are subject to review before data submitted is fully taken into account in the pricing process. The aim is to make sure that submitters are trustworthy and have sufficient visibility and understanding of the market to be able to provide viable price data.

All data sources are subject to review before their data submitted is fully taken into account in the pricing process. Our Contributor Approval Policy (CAP) requires this review or probation period to last no more than three months. The aim is to make sure that submitters are trustworthy and have sufficient visibility and understanding of the market to be able to provide viable price data.

What goes into a low-carbon aluminium contract and how is it assessed?



Examples:



\* Figures used here are for illustrative purposes only and are not indicative of actual deals reported to Fastmarkets.

The differentials can be used on top of Fastmarkets' underlying European P1020 and VAP premiums including, but not limited to:

- MB-AL-0346 Aluminium P1020A premium, in-whs dup Rotterdam, \$/tonne
- MB-AL-0004 Aluminium P1020A premium, in-whs dp Rotterdam, \$/tonne
- MB-AL-0316 Aluminium P1020A premium, fca dp Italy \$/tonne
- MB-AL-0319 Aluminium P1020A premium, fca dp Spain, \$/tonne
- MB-AL-0300 Aluminium 6063 extrusion billet premium, ddp Italy (Brescia region), \$/tonne
- MB-AL-0302 Aluminium 6063 extrusion billet premium, ddp North Germany (Ruhr region), \$/tonne
- MB-AL-0002 Aluminium 6063 extrusion billet premium, in-whs dp Rotterdam, \$/tonne
- MB-AL-0299 Aluminium 6063 extrusion billet premium, ddp Spain, \$/tonne
- MB-AL-0339 Aluminium primary foundry alloy silicon 7 ingot premium, ddp Germany, \$/tonne
- MB-AL-0340 Aluminium primary foundry alloy silicon 7 ingot premium, ddp Eastern Europe, \$/tonne

The low-carbon VAP assessment could also be used as an upcharge for other aluminium products, such as slab and wire rod, which Fastmarkets does not currently price.

## Specifications

### EUROPE

#### **MB-AL-0381 Aluminium low-carbon differential P1020A, Europe, \$/tonne**

Carbon limit: 4tCO<sub>2</sub>e per tonne of aluminium produced, Scope 1 and 2 emissions

Quality: P1020A or 99.7% minimum Al purity (Si 0.10% max, Fe 0.20% max). Ingot

Quantity: Min 100 tonnes

Location: Europe

Unit: USD/tonne

Timing: Within three months

Publication: Monthly, first Friday of the month, 4pm London

#### **MB-AL-0382 Aluminium low-carbon differential value added product, Europe, \$/tonne**

Carbon limit: 4tCO<sub>2</sub>e per tonne of aluminium produced, Scope 1 and 2 emissions.

Type: Extrusion billet, primary foundry alloy, wire rod, slab

Quantity: Min 100 tonnes

Location: Europe

Unit: USD/tonne

Timing: Within three months

Publication: Monthly, first Friday of the month, 4pm London

Note: This differential is to be discontinued with the last publishing date on Friday March 1, 2024 following the launch of MB-AL-0391 and MB-AL-0392

#### **MB-AL-0391**

Carbon limit: 4tCO<sub>2</sub>e per tonne of aluminium produced, Scope 1 and Scope 2 emissions.

Type: Extrusion billet

Quantity: Minimum 100 tonnes

Location: Europe

Unit: USD/tonne

Timing: Within three months

Publication: Monthly, first Friday of the month, 4pm London

Note: Does not include other value-added products

#### **MB-AL-0392 Aluminium low-carbon differential value-added product ex-billet, Europe, \$/tonne**

Carbon limit: 4tCO<sub>2</sub>e per tonne of aluminium produced, Scope 1 and Scope 2 emissions.

Type: Primary foundry alloy, wire rod and slab

Quantity: Minimum 100 tonnes

Location: Europe

Unit: USD/tonne

Timing: Within 12 months

Publication: Monthly, first Friday of the month, 4pm London

Note: Does not include aluminium billet

## Contacts

### **Carrie Bone**

Senior Reporter - Aluminium and Alumina  
[carrie.bone@fastmarkets.com](mailto:carrie.bone@fastmarkets.com)

### **Imogen Dudman**

Senior Reporter  
[imogen.dudman@fastmarkets.com](mailto:imogen.dudman@fastmarkets.com)

### **Juliet Walsh**

Global Base Metals Editor  
+44 207 556 6017  
[juliet.walsh@fastmarkets.com](mailto:juliet.walsh@fastmarkets.com)

### **Risk & Compliance Team**

T: +44 20 7827 5264 or  
T: +44 20 7779 8519  
[riskandcompliance@fastmarkets.com](mailto:riskandcompliance@fastmarkets.com)

#### **DISCLAIMER - IMPORTANT PLEASE READ CAREFULLY**

This Disclaimer is in addition to our Terms and Conditions as available on our website and shall not supersede or otherwise affect these Terms and Conditions. Prices and other information contained in this publication have been obtained by us from various sources believed to be reliable. This information has not been independently verified by us. Those prices and price indices that are evaluated or calculated by us represent an approximate evaluation of current levels based upon dealings (if any) that may have been disclosed prior to publication to us. Such prices are collated through regular contact with producers, traders, dealers, brokers and purchasers although not all market segments may be contacted prior to the evaluation, calculation, or publication of any specific price or index. Actual transaction prices will reflect quantities, grades and qualities, credit terms, and many other parameters. The prices are in no sense comparable to the quoted prices of commodities in which a formal futures market exists.

Evaluations or calculations of prices and price indices by us are based upon certain market assumptions and evaluation methodologies, and may not conform to prices or information available from third parties. There may be errors or defects in such assumptions or methodologies that cause resultant evaluations to be inappropriate for use.

Your use or reliance on any prices or other information published by us is at your sole risk. Neither we nor any of our providers of information make any representations or warranties, express or implied as to the accuracy, completeness or reliability of any advice, opinion, statement or other information forming any part of the published information or its fitness or suitability for a particular purpose or use. Neither we, nor any of our officers, employees or representatives shall be liable to any person for any losses or damages incurred, suffered or arising as a result of use or reliance on the prices or other information contained in this publication, howsoever arising, including but not limited to any direct, indirect, consequential, punitive, incidental, special or similar damage, losses or expenses.

We are not an investment adviser, a financial advisor or a securities broker. The information published has been prepared solely for informational and educational purposes and is not intended for trading purposes or to address your particular requirements. The information provided is not an offer to buy or sell or a solicitation of an offer to buy or sell any security, commodity, financial product, instrument or other investment or to participate in any particular trading strategy. Such information is intended to be available for your general information and is not intended to be relied upon by users in making (or refraining from making) any specific investment or other decisions.

Your investment actions should be solely based upon your own decisions and research and appropriate independent advice should be obtained from a suitably qualified independent adviser before any such decision is made.