

ALUMINIUM REPORT

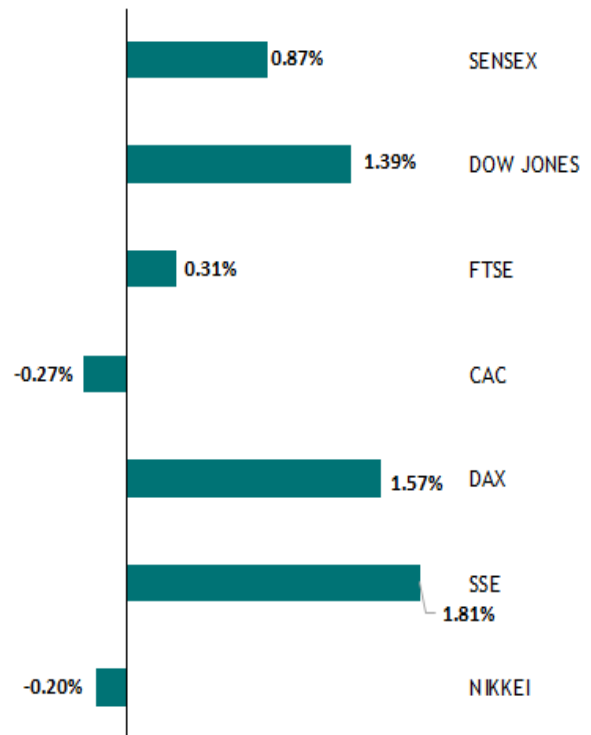
December 2, 2024



Aluminium prices hovered near 6-month high in global platforms on tightening supplies and robust demand from green energy space, though a stronger US dollar capped gains.

- ◆ MCX Aluminium futures steadied at 6 months high, making an 18.75% year on year gain.
- ◆ LME Aluminium eased on a monthly basis, but marked 8.60% gain year over year.
- ◆ Most global equity gauges were on positive terrain last week.
- ◆ The U.S. dollar index shed 1.69% last week.
- ◆ Euro gained 1.52%, Japanese Yen gained 3.33% while Chinese yuan moderated against USD last week.
- ◆ Indian Rupee slipped 0.16% against U.S. dollar in the last week's session and settled at 84.55 points.
- ◆ US personal income and consumption data showed an uptick, indicating a resilient consumer market.
- ◆ US economy expanded 2.8% in the third quarter of 2024, compared to 3% in the previous quarter.
- ◆ China's NBS Manufacturing PMI rose to 50.3 in November 2024, marking the highest reading since April.
- ◆ Global primary aluminium production rose 3.5% MoM in October to 6.22 million tonnes.
- ◆ Aluminium inventories in LMA and SHFE registered warehouses depleted.
- ◆ Russian aluminium producer Rusal will cut output by more than 6% due to high alumina prices.
- ◆ China's finance ministry decided to cancel export tax concessions for aluminium from December 1, 2024.

Indices



Currency

Currencies	Close	WoW % Chg
Dollar Index Spot	105.737	-1.69%
Euro/US Dollar	1.0575	1.52%
US Dollar/ Japanese Yen	149.75	3.33%
US Dollar/ Indian Rupee	84.559	-0.16%
US Dollar/ Chinese Yuan	7.2423	0.04%

*Currency rates mentioned above are Friday closing rates

Key Data/Events for the week

Day	Data/Events
Monday	US ISM Manufacturing PMI
Friday	US Non-Farm Payrolls & Unemployment Rate



Aluminium prices hovered near 6-month high

Aluminium prices traded firm in major global platforms, driven by persistent concerns over raw material supply and China's decision to scrap its export tax rebate on aluminium. This move has sparked worries about tightening global supplies, as more output is likely to be retained within China. The country's finance ministry announced the cancellation of the export tax rebate on aluminium products, effective December 1, signalling robust domestic demand. China, which accounts for nearly 60% of global aluminium production, saw output rise by 120,000 tonnes to 3.72 million tonnes in October. The removal of the export tax rebate will make Chinese aluminium more expensive in the international market, leading to a decline in export volumes.

Furthermore, Russia's Rusal, one of the world's largest aluminium producers, plans to cut production by 250,000 tonnes per annum as part of its production optimization program. This decision is a response to record-high alumina prices, owing to widespread disruption across the entire bauxite-alumina-aluminium supply chain.

Rising demand from the green energy sectors is likely to support aluminium prices. The metal plays a significant role in the global clean energy transition as it is used extensively in renewable energy equipment like solar panels, wind turbines, and electric vehicles.

Despite these factors, aluminium prices have been capped by the strengthening US dollar, which has gained traction following Donald Trump's presidential victory. Trump's proposed tariffs on China, Mexico, and Canada have sparked concerns about a potential trade war and weak demand outlook in China, weighing on base metal prices.

Global aluminium output up 3.5% MoM on October— IAI

According to the International Aluminium Institute, global primary aluminium production rose 3.5% month on month in October to 6.22 million tonnes. Meanwhile, the global alumina production rose 4.8% mom to 12.61 million tonnes in October. The alumina output was up 3.6% on year from 12.17 million tonnes in October last year. The average daily global alumina production rose to 406,645 tonnes in October from the revised 401,000 tonnes in September.

Warehouse stock level

Aluminium inventories in LME registered warehouses decreased last week by 10025 MT and totalled 695975 MT. At the same time, the inventory level in SHFE registered warehouses decreased by 4053 and totalled 227801 MT.



Outlook

Shanghai Futures Exchange: Prices expected to exhibit a sideways trend. Whereas, a drop below CNY20210 would be an early signal for weakness.

MCX: Prices may extend gains further if trades sustain above RS255 region. Fall below the same region may induce mild correction as well.

Global Market Prices

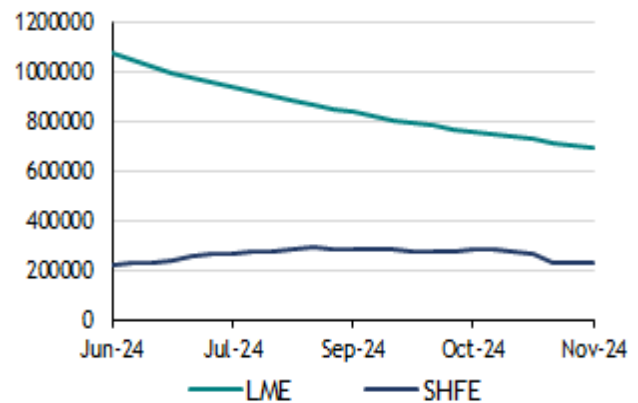
Exchanges	Close Price	MoM % Chg	YoY % Chg
LME	2589 (\$/MT)	-0.42%	8.60%
SHFE	20380 (CNY/MT)	-1.85%	3.86%
MCX	241.65 (Rs/Kg)	0.04%	18.75%

*Near Month Futures Contracts in MCX/ SHFE
 *Three Month Forward Futures Contracts in LME
 *Prices mentioned above are of Monday 3:00pm IST rates

Warehouse Stock Details

Exchanges	Stocks in MT	WoW Chg	YoY % Chg
LME	695975	-10025	-1.42%
SHFE	227801	-4053	-1.75%

Stocks in Metric Tonnes



Trading Outlook		
	Shanghai Futures	MCX Dec
Monthly View	RANGE BOUND	MILD POSITIVE
Short Term View	RANGE BOUND	RANGE BOUND
Technical Levels		
Trading Range	19830-21950	230-285
Resistance 1	20580	270
Resistance 2	21950	285
Resistance 3	22400	292
Pivot	20210	255
Support 1	19830	244
Support 2	19590	230
Support 3	18760	222

* Short term - Up to three months.



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Compliance Officer

Ms. Indu K.

Geojit Financial Services Limited,

34/659 P, Civil Lane Road, Padivattom, Kochi – 682 024

Tele: 0484 2901367

Fax: 0484 2979695

Email: indu_k@geojit.com

Grievance Officer

Mr Nitin K .

Geojit Financial Services Limited,

34/659 P, Civil Lane Road, Padivattom, Kochi – 682024

Tele: 0484-2901363

Email : grievances@geojit.com

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