



Aluminium Report

Monday - 29 June 2026

Aluminium Futures - 10 - MCX 0332.45 H334.50 L332.15 C334.50 +1.50 (+0.45%) Vol489



Aluminium prices corrected sharply during June after rallying to a lifetime high of ₹397.10/kg, falling to an intraday low near ₹330/kg, a decline of approximately 16.9% within the month. The correction was triggered by aggressive profit booking as geopolitical risk premiums eased following progress in US-Iran negotiations, reducing fears over supply disruptions from the Persian Gulf, which accounts for nearly 9% of global primary aluminium production. At the same time, China's aluminium market remained well supplied, with the country continuing to produce nearly 60% of global primary aluminium, while manufacturing activity remained subdued as the official PMI stayed below the 50-point expansion mark, signalling weak industrial demand. A stronger US dollar also pressured base metals by making dollar-denominated commodities relatively expensive for overseas buyers.

Despite the correction, underlying physical fundamentals remain supportive. LME aluminium inventories declined to 306,725 tonnes on 26 June from 337,700 tonnes at the beginning of June, a drawdown of 30,975 tonnes or 9.17%, indicating continued physical demand. LME cash aluminium recovered 1.02% on the final trading session to US\$3,164/tonne after three consecutive sessions of liquidation, suggesting buyers are emerging at lower levels. Meanwhile, alumina prices increased to US\$310.19/tonne, squeezing smelter margins and potentially limiting further downside in primary aluminium. Although near-term supply concerns have eased with improving logistics, structurally lower exchange inventories and rising production costs continue to provide medium-term support.

Technically, the correction unfolded precisely after the bearish harmonic reversal near ₹397, validating a healthy retracement within the broader uptrend. Prices are currently stabilising around the 61.8% Fibonacci retracement zone of ₹333–334, while continuing to trade comfortably above the 200-day Moving Average, indicating that the long-term bullish structure remains intact. RSI has entered the oversold region, signalling that selling momentum is becoming exhausted, while the MACD remains bearish but is gradually losing downside momentum, suggesting weakening selling pressure. Over the next one month, aluminium prices are likely to remain in a consolidation range of ₹328–338/kg as the market digests the recent correction and improving global supply conditions. A decisive breakout above ₹338 could trigger a relief rally towards ₹346–350/kg, whereas the major structural support remains at ₹316–317, coinciding with the 78.6% Fibonacci retracement, as long as prices continue to hold above the 200-day Moving Average.



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