



Light Metal, Heavy Returns!!

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Aluminium Fundamental Update

- Aluminium prices reached their highest in almost 3 months, driven by strong momentum in base metals following stimulus measures announced in China
- People's Bank of China introduced monetary measures, including cutting the seven-day reverse repo rate, MLF rate and reducing the reserve requirement ratio by 50 bps
- China also refinanced over CNY 37 trillion in mortgages to lower rates
- LME inventories over the last 4 months are down 28% with a drawdown of ~3 lakh tones, while ShFE inventories are up by mere 50,000 tons over the same period
- Supply risks in China continued, with alumina supply pressures due to bauxite output issues in Guinea and Australia
- Base metals are having a good run up, following the stimulus measures, and we expect a 7-9% upside for aluminum prices in a short to medium term.

MCX Aluminium Technical Update



- MCX Aluminium daily chart has convincingly given a triangular pattern breakout suggesting commencement of the next rally
- Prices have been consistently holding well above 200 Day SMA level indicating an uptrend thus providing us with a host of compelling signals
- We recommend to buy at Rs.240 and accumulate on dip towards support of Rs.232 with a stop loss below Rs.225 level on closing basis with an expected target towards Rs.253 and Rs.265 as an extended target.

LME Aluminium Technical Update



- On the daily chart in LME Aluminium, prices broke out of the Cup & Handle pattern resulting in a fresh breakout on the higher side
- Prices have been consolidating for the past three months, forming a base and advancing an upward trajectory
- We recommend to create long positions at \$2645 and accumulate on dip towards \$2555 with a stop loss below \$2480 level on closing basis with expected target towards \$2790 and \$2920 respectively.



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