

Pathfinder

Aluminium Elevating momentum

Fundamental Update

- Aluminium prices have been rising, supported by China's policies to help boost infrastructure projects including a CNY 1.2 trillion hydroelectric dam and risks to supply
- LME inventories have seen some rebound, but are still mere 35% from peak of 2024
- China Services PMI rose to 53.0 in August from 52.6 in July marking the fastest expansion in the services sector since May 2024
- China's Manufacturing PMI rebounds, managing to hold above 50 mark in August 2025, signaling some green shoots in Chinese economy
- Global bauxite supply faces uncertainty as tensions escalate between Guinea's government and Emirates Global Aluminum after cancelling its mining license cancellations
- China's aluminum production is still limited by its 45 mt annual cap, while European markets remain constrained by ongoing sanctions on Russia
- India's aluminium production rose 2% YoY to 353,000 tonnes primarily due to increase in output at the Vedanta facilities
- Aluminium Cash-3M has flipped into slight backwardation since a month, reflecting some tightness
- Global primary aluminum production amounted to 36.847 million tons against a consumption of 36.884 mt, showing a minor supply shortage of 36,700 tons
- The momentum in metals complex is catching up fast, and Aluminium prices could gain another 4-6% in the coming weeks.

MCX Aluminium Technical Update



- On the weekly chart, Aluminium has witnessed a decisive breakout above the key resistance at 257, with this positive move, prices are now likely to head towards the upper bound of the rising channel
- Prices are holding well above the 21-week EMA, which continues to act as dynamic support
- Therefore, we recommend buying in the range of ₹256 – ₹257, with a stop-loss below ₹247 on a closing basis and upside targets at ₹272.

LME Aluminium Technical Update



- On the weekly chart, Aluminium is moving within a symmetrical triangle and is now inching closer to the upper boundary near 2700, where a breakout looks imminent
- Prices are holding well above the 21-week EMA, which continues to act as dynamic support
- So, we recommend to buy in the range of \$2625 – \$2635 with stop loss below \$2535 level on sustainable basis and with an upside targets at \$2800 levels.

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