

# ALUMINIUM



## News & Development

MCX Aluminium futures traded mixed to bullish during the month of November so far, owing to hopes of revival of global economy with recovering industrial activities in the European Union, but then, prices mainly fell from the higher side in the last week amid rising covid-19 cases in the major developed countries and uncertainties regarding the health of the global economy. Recent update regarding the FED post US elections about the recovering US economy especially in the year 2021 with expectancy of higher inflation has given strength to LME Aluminium Futures. However, mining activities in Latin America has been lower which led to supply tightness in the past couple of weeks. MCX Alumini futures has also witnessed a bullish trend and price has closed at Rs.160.4/kg by 23rd November, higher by 6.22% compared to Rs.151/kg as on 30th October.

Looking forward for the coming month, we expect International Aluminium Futures to trade bullish as the global scenario has shown positivity in the last couple of weeks. China and other developing countries have uplifted lockdown to ease the market tensions, however, Covid-19 cases continue to rise worldwide, which is likely to bring uncertainty about the global economic health. Global central banks though not offering any further stimulus packages are uncertain about complete recovery prior to Dec'20. As per International Aluminium Institute, global Aluminium production for the month of Oct'20 has been reported to be around 5.592 Million tonnes, higher compared to previous month production of 5.401 million tonnes. China still leads in rising global production for the last month. China's Aluminium production for the above month has been estimated around 3.230 million tonnes, higher by 3.19% compared to 3.130 million tonnes reported during the previous month. Elsewhere, production in Asia (excluding China), North America, Western and Eastern Europe have also reported higher production for the Oct'20 compared to the proceeding month. Overall, we expect a bullish trend in MCX Alumini Futures for the month ahead.



On the daily timeframe, MCX ALUMINIUM (Dec) future has retreated after taking a resistance at upper **Bollinger Band** formation, which indicates immediate hurdle in the counter. Moreover, it has also formed **Bearish Engulfing** patterns, which is an indication of trend reversal and suggest downward trend. Furthermore, a momentum indicator RSI (14) moved down from the overbought zone and the Stochastic Oscillator showed a negative crossover which supported the down trend in the counter. So based on the above technical aspect, **one can initiate a short position in MCX Aluminium (Dec) future at CMP 163 or a rise in the prices till 165 can be used as a selling opportunity for the downside target of 155. However, the bearish view can be negated if MCX Aluminium (Dec) moves above the resistance of 168.50 level.**