

Aluminium prices were remain under pressure on worries over global economic slow down and firm US Dollar.

## Global Economy

- Global equity gauges extended fall amid growing concerns that rising interest rate hikes by major central banks fuel global economic slowdown. The US Dow Jones equity index tumbled below 30,000 level for the first time since January 2021. European equity indices also slipped heavily. Among Asian indices, India's Sensex plunged more than 5.00%. However China's benchmark equity index closed at three month high on expectation of more policy support.
- U.S. Federal Reserve approved the largest interest rate increase since 1994 by raising 0.75 percentage point, which will increase the benchmarks federal-funds rate to a range between 1.5% and 1.75%.
- U.S. industrial output marked its slowest growth in five months in May, as manufacturing output contracted under pressure from ongoing supply chain and input price problems.
- The central banks in Europe hiked interest rates as an effort to control inflation. The Bank of England raised its benchmark rate to its highest level since the 2009 financial crisis. .

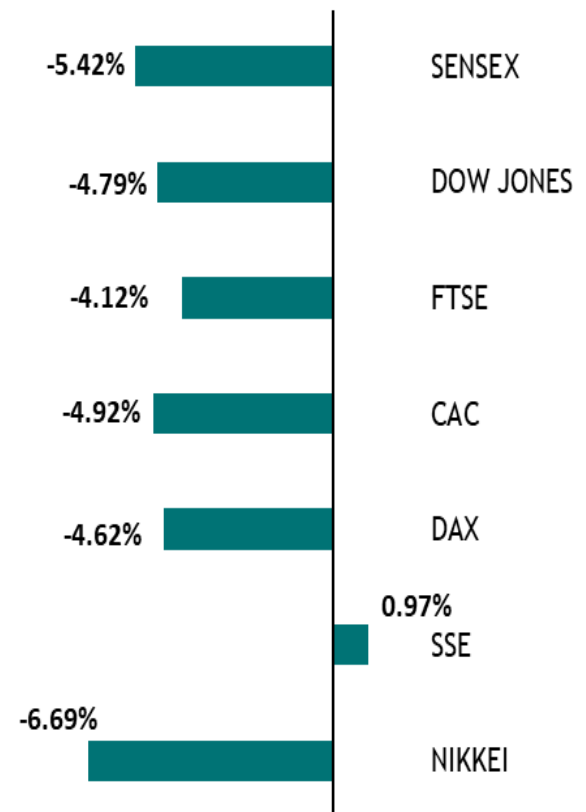
## Currencies

- The dollar index soared to 105.78 in previous week against a basket of currencies , the highest since December 2002.
- Euro currency and Chinese Yuan closed on flat note against US dollar last week. Japanese Yen shed near half a percent against US Dollar. While Indian currency settled near 78 Mark against US dollar with marginal gains.

## Aluminium

- Primary aluminum output of China, the world's largest producer and consumer of the metal, rose to 3.42 million tonnes in May, up 3.1% from the same month a year earlier, National Bureau of Statistics, and up from 3.36 million tonnes in April.
- The European Commission will resume imposing antidumping duties on imports of aluminum flat-rolled products of Chinese origins from July 12, after postponing for nine months.

## Indices



## Currency

| Currencies              | Close   | WoW % Chg |
|-------------------------|---------|-----------|
| Dollar Index Spot       | 104.7   | 0.53%     |
| Euro/US Dollar          | 1.0498  | -0.16%    |
| US Dollar/ Japanese Yen | 134.96  | -0.40%    |
| US Dollar/ Indian Rupee | 77.9346 | 0.23%     |
| US Dollar/ Chinese Yuan | 6.716   | -0.12%    |

\*Currency rates mentioned above are Friday closing rates

## Key Data/Events for the week

| Day       | Data/Events                      |
|-----------|----------------------------------|
| Monday    | Holiday For US Financial Markets |
| Wednesday | US Fed's Jerome Powell Testifies |
| Thursday  | US Manufacturing PMI             |
| Friday    | US New Home Sales                |

### Aluminium future in Shanghai slipped to more than 6-month low

Base metal complex were largely under pressure last week as global recessional fears left investors in the lurch and this market sentiments hit Aluminium prices as well. Slowing manufacturing activities in major economies along with aggressive scaling back of liquidity measures from major central banks across globe spooked worries that it could damage economic growth. Whereas demand in China still struggling to pick up as lockdowns aren't really ending as quickly as hoped, as the country continued to impose tough restrictions to completely eliminate Covid-19 infections.

Prices of aluminium on Shanghai futures platform slipped to lowest level since late December 2021 and finally settled at 19600 CNY/MT in previous week. MCX aluminium prices hit the lowest level in 2022. Benchmark aluminium prices in London Metal Exchange slipped last week too by shedding around 7.00 percent.

In the meantime, a stronger US Dollar continued to side line investors as the metal become more expensive. On the other hand, Europe's primary aluminium smelters are continuing to cutdown production on soaring energy prices as smelting activity is an energy intensive business. Western European output of primary aluminum totalled 244,000 tonnes in April, that was down by 13.2 percent on April last year, according to the latest assessment by the International Aluminium Institute (IAI).

### China's Aluminium imports Slipped in May

According to Chinese government data, imports of aluminium fell 16.4% in May from the same month a year earlier, on amid higher overseas prices and weak domestic demand. While the import data by General Administration of customs showed that country brought 188,469 tonnes of unwrought aluminium and products, which includes primary metal and unwrought, alloyed aluminium in May. However the last month imports were slightly up from 175,289 tonnes in April. Meanwhile China's exports of unwrought aluminium and aluminium products increased 54% from a year earlier to 676,605 tonnes in May, which marked the highest level in at least nine years.

### Warehouse stock level

The aluminium inventory levels in LME registered warehouses decreased last week by 16100 MT and totalled 407875 MT. The inventory level in SHFE registered warehouses depleted as well last week by 2246 MT and totalled at 267337 MT.

### Global Market Prices

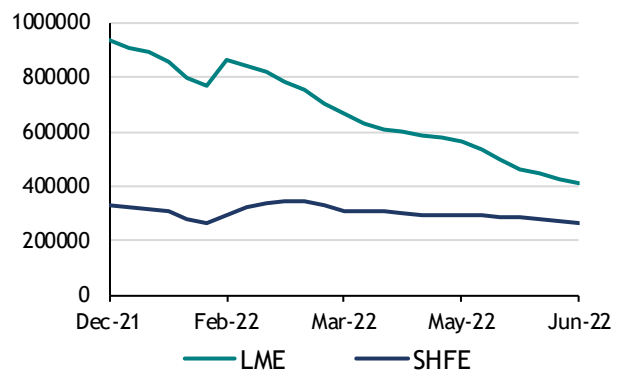
| Exchanges | Close Price   | WoW % Chg | YoY % Chg |
|-----------|---------------|-----------|-----------|
| LME       | 2498 (\$/MT)  | -6.79%    | -1.01%    |
| SHFE      | 19600(CNY/MT) | -0.38%    | 8.41%     |
| MCX       | 215.35(Rs/Kg) | -5.61%    | 10.58%    |

\*Near Month Futures Contracts in MCX/ SHFE  
 \*Three Month Forward Futures Contracts in LME  
 \*Prices mentioned above are Friday closing rates

### Warehouse Stock Details

| Exchanges | Stocks in MT | WoW Chg | YoY % Chg |
|-----------|--------------|---------|-----------|
| LME       | 407875       | -16100  | -3.80%    |
| SHFE      | 267337       | -2246   | -0.83%    |

### Stocks in Metric Tonnes



### Outlook

**LME:** Worries over global growth prospects and a firm US dollar continue to hit the demand for base metals.

**MCX Jun:** Corrective selling pressure may continue while prices stay below Rs 248. Anyhow, major liquidation expected only consistent trades below the stiffs support of Rs 206.

### Trading Outlook

|                  | LME 3M Futures | MCX Jun     |
|------------------|----------------|-------------|
| Weekly View      | RANGE BOUND    | RANGE BOUND |
| Short Term View  | NEGATIVE       | NEGATIVE    |
| Technical Levels |                |             |
| Trading Range    | \$2990-1950    | Rs274-170   |
| Resistance 1     | 2560           | 230         |
| Resistance 2     | 2880           | 248         |
| Resistance 3     | 3200           | 261         |
| Pivot            | 2770           | 238         |
| Support 1        | 2380           | 206         |
| Support 2        | 2150           | 188         |
| Support 3        | 1870           | 172         |

GENERAL DISCLOSURES & DISCLAIMERS:CERTIFICATION

We, Krishna prasad N.B & Hareesh V , employee of Geojit Financial Services Limited (GFSL), author of this report, hereby certify that all the views expressed in this research report (report) reflect my personal views about any or all of the subject issuer or securities/ commodities.

DISCLAIMER

This report has been prepared by GFSL and the report & its contents are the exclusive property of GFSL and the recipient cannot tamper with the report or its contents in any manner and the said report, shall in no case, be further distributed to any third party for commercial use, with or without consideration.

GFSL has taken steps to ensure that facts in this report are based on reliable information but cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this report. It is hereby confirmed that wherever GFSL has employed a rating system in this report, the rating system has been clearly defined including the time horizon and benchmarks on which the rating is based.

Descriptions of any Commodity or Commodities mentioned herein are not intended to be complete and this report is not, and should not be construed as an offer or solicitation of an offer, to buy or sell any commodity or other financial instruments. GFSL has not taken any steps to ensure that the commodity/(ies) referred to in this report are suitable for any particular investor. This Report is not to be relied upon in substitution for the exercise of independent judgment. Opinions or estimates expressed are current opinions as of the original publication date appearing on this Report and the information, including the opinions and estimates contained herein, are subject to change without notice. GFSL is under no duty to update this report from time to time.

RISK DISCLOSURE

Geojit Financial Services Limited and/or its Affiliates and its officers, directors and employees including the analyst/authors shall not be in any way be responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Investors may lose his/her entire investment under certain market conditions so before acting on any advice or recommendation in these material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. This report does not take into account the specific investment objectives, financial situation/ circumstances and the particular needs of any specific person who may receive this document. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the Commodity/(ies) referred to in this report (including the merits and risks involved). The price, volume and income of the investments referred to in this report may fluctuate and investors may realize losses that may exceed their original capital.

The investments or services contained or referred to in this report may not be suitable for all equally and it is recommended that an independent investment advisor be consulted. In addition, nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to individual circumstances or otherwise constitutes a personal recommendation of GFSL.



**REGULATORY DISCLOSURES:**

Geojit Financial Services Limited's Associates consists of companies such as Geojit Technologies Private Limited (GTPL- Software Solutions provider), Geojit Credits Private Limited (GCPL- NBFC Services provider), Geojit Investment Services Limited (GISL- Corporate Agent for Insurance products), Geojit Financial Management Services Private Limited (GFMSL) & Geojit Financial Distribution Private Limited (GFDPL), (Distributors of Insurance and MF Units). In the context of the SEBI Regulations on Research Analysts (2014), Geojit Financial Services Limited affirms that we are a SEBI registered Research Entity and we issue research reports /research analysis etc that are prepared by our Research Analysts. We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities.

In compliance with the above mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision:

**1. Disclosures regarding Ownership:**

*GFSL confirms that:*

It/its associates have no financial interest or any other material conflict in relation to the subject Commodity futures covered herein at the time of publication of this report.

*Further, the Research Analyst confirms that:*

He, his associates and his relatives have no financial interest in the subject Commodity futures covered herein, and they have no other material conflict in the subject Commodity at the time of publication of this report.

**2. Disclosures regarding Compensation:**

During the past 12 months, GFSL or its Associates have not received any compensation or other benefits from any entity/ third party in connection with the Commodity futures mentioned in this report.

**3. Disclosure regarding the Research Analyst's connection with the Commodity futures:**

It is affirmed that we, Krishna prasad N.B & Hareesh V employed as Research Analyst by GFSL and engaged in the preparation of this report have no substantial ownership or financial interest over any Commodity futures mentioned in the report.

**4. Disclosure regarding Market Making activity:**

Neither GFSL nor its Research Analysts have engaged in market making activities for the subject Commodity futures.

Copyright in this report vests exclusively with GFSL

**Geojit Financial Services Ltd., 34/659-P, Civil Line Road, Padivattom, Kochi - 682024**

Toll-Free Number: 1800-425-5501 / 1800-103-5501, Paid Number: 91 - 484 - 2901000

Research Entity SEBI Registration Number: INH200000345

Email id: [customercare@geojit.com](mailto:customercare@geojit.com), Web: [www.geojit.com](http://www.geojit.com)

SEBI Stock Broker Registration No INZ000104737, Research Entity SEBI Reg No: INH200000345, Investment Adviser SEBI Reg No: INA200002817, Portfolio Manager:INP000003203, SEBI Registration No. Stock Broker: INZ000104737 / Depository Participant: IN-DP-325-2017, ARN Regn.Nos:0098, IRDA Corporate Agent (Composite) No.: CA0226.

