

Aluminium Market Outlook - A New Age of Disruption

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Abstract

The aluminium market has experienced a never-ending set of external shocks over the past six years. We have had the pandemic aftershocks, the Ukraine-Russia war with a surge in energy prices which impacted demand and supply, especially in Europe. Latterly we have elevated trade tensions following swinging US tariffs which has led to a redirection of natural trade flows.

The latest shock has been the Middle East conflict. At the time of writing, the war is still ongoing and is already reshaping the aluminium market. Depending on the depth and length of the conflict, the outcome will have a consequential impact for the wider aluminium supply-chain and market which will have ripple effects over the short to medium-term. The net impact of these shocks as been to leave the industry with elevated risk, price and premium volatility and trade flow disruptions and redirection. Decision making for all stakeholders has become fraught with uncertainty.

In this presentation we will look at the short-term outlook for prices and premiums. We will assess the key drivers for the market for metal supply and demand amid a changing economic outlook and elevated uncertainty. Beyond the near-term we look at how the industry will evolve in terms of substitution, key end-use demand drivers, the split between primary and secondary demand as well as new area of demand from the energy transition, data centers and AI. We will assess the following questions: Who will be winners from the changing landscape? Where will future demand growth come from? How will metal supply evolve in a decarbonised world?

Keywords: Aluminium, Prices, Supply, Demand, Forecasts.