



**NSE ALUMINIUM**  
**DERIVATIVES**  
**Performance Review**  
**2025-26**

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## **Performance Review of Commodity Derivatives - FY 2025-26**

### Aluminium Futures & Aluminium Mini Futures

#### **1. Background**

##### **a. Brief about the commodity such as sample picture, lifecycle and various varieties/grade of the commodity found in India**

Aluminum is the second most abundant metallic element in the Earth's crust after silicon, yet it is a comparatively new industrial metal that has been produced in commercial quantities for just over 100 years. It weighs about one-third as much as steel or copper; is malleable, ductile, and easily machined and cast; and has excellent corrosion resistance and durability. Measured either in quantity or value, aluminium's use exceeds that of any other metal except iron, and it is important in virtually all segments of the world economy. Some of the many uses for aluminum are in transportation (automobiles, airplanes, trucks, railcars, marine vessels, etc.), packaging (cans, foil, etc.), construction (windows, doors, siding, etc), consumer durables (appliances, cooking utensils, etc.), electrical transmission lines, machinery, and many other applications. Aluminum recovery from scrap (recycling) has become an important component of the aluminum industry. A common practice since the early 1900s, aluminum recycling is not new. It was, however, a low-profile activity until the late 1960s when the recycling of aluminum beverage cans finally vaulted recycling into the public consciousness.

##### **b. Commodity fundamentals and balance sheet as per the following format (to be prepared based on publicly available information on best effort basis):**

**Table – Fundamentals & Balance Sheet (Thousand tons)**

<b>Global Scenario</b>	<b>2024</b>	<b>2025</b>
Opening Stocks	7,837	7,846
Production	71,643	72,388
Consumption	71,635	73,474
Closing Stocks	7,846	6,760

**Source:** World Bureau of Metal Statistics, LSEG Datastream

**Table - Indian Balance Sheet (In Tonnes)**

<b>Indian Scenario</b>	<b>2024-25</b>	<b>2025-26</b>
Aluminium (Bauxite) Production	2,47,42,795	2,59,56,793
Aluminium Ores and Conc Export	4,78,522	4,30,026
Aluminium Ores and Conc Import	31,40,920	63,33,679

**Source:** Ministry of Mines, Government of India (mines.gov.in), Ministry of Commerce and Industry

### Top 10 major producing countries (Thousand tons)

Countries	2024	2025
CHINA	42,902	44,377
INDIA	4,204	4,276
RUSSIA	3,960	3,496
CANADA	3,339	3,269
UNITED ARAB EMIRATES	2,604	2,589
BAHRAIN	1,622	1,625
AUSTRALIA	1,545	1,549
NORWAY	1,271	1,262
BRAZIL	1,008	1,069
MALAYSIA	996	996

Source: World Bureau of Metal Statistics, LSEG Datastream

### Top 10 major consuming countries (Thousand tons)

Countries	2024	2025
CHINA	45,894	47,349
U.S.A.	3,828	3,649
INDIA	2,619	3,216
TURKEY	1,446	1,403
JAPAN	1,727	1,378
GERMANY	1,524	1,343
SOUTH KOREA	1,288	1,293
SAUDI ARABIA	805	1,019
BRAZIL	932	965
MALAYSIA	927	865

Source: World Bureau of Metal Statistics, LSEG Datastream

### Top 10 major exporting countries (in US \$ million)

Name of Country	2024	2025
CHINA	39,549	NA
FRANCE	6,991	NA
POLAND	5,350	NA
GERMANY	18,420	20,774
USA	14,412	13,666
CANADA	12,811	12,106
ITALY	8,462	9,477
MALAYSIA	6,609	7,232

NETHERLANDS	6,880	7,142
INDIA	7,429	6,786

**Source:** UN Comtrade database

### Top 10 major importing countries (in US \$ million)

Countries	2024	2025
CHINA	15,031	NA
FRANCE	8,656	NA
USA	28,306	26,469
GERMANY	20,373	22,894
MEXICO	10,232	10,571
ITALY	8,123	10,205
INDIA	7,702	9,658
REP. OF KOREA	8,741	9,134
JAPAN	8,299	8,796
NETHERLANDS	7,143	8,318

**Source:** UN Comtrade Database, HS Code: 76

### Top producing states in India

Aluminium is the fastest growing non-ferrous metal in India and the same is evident by its growing and widespread use. Most of the Aluminium Smelter are located near their respective alumina refineries. Ten aluminium smelters are operated by four companies viz. NALCO, BALCO, HINDALCO & VEDANTA. NALCO is the only company in the Public Sector with installed capacity of 4,60,000 tpy. BALCO, earlier a Public Sector company, is now under Private Sector. The aluminium plants of NALCO and BALCO have their alumina-aluminium complexes at Damanjodi-Angul (Odisha) and Korba (Chhattisgarh), respectively.

### c. Major changes in the policies governing trade in the spot markets of the commodity

India introduced a new Quality Control Order for aluminium and aluminium alloy products in 2025-26, making BIS certification mandatory for specified product categories from October 1, 2025. It covered irrigation tubes, EC-grade rods, pharmaceutical foil, composite panels, and aerospace forgings, to control the conditions under which imported material enters the domestic market. Any non-BIS-certified product now faces prohibition on sale, customs rejection, and penalties under the BIS Act, 2016. The measure is aimed at improving product quality and regulating the entry of non-compliant imported material into the domestic market.

The Directorate General of Trade Remedies (DGTR) is conducting a Sunset Review of anti-dumping duties on **aluminium foil (80 microns and below)** imported from **China, Indonesia, Malaysia, and Thailand**. The review, initiated on September 29, 2025, aims to assess whether removing the current five-year duties (originally imposed on September 16, 2021) would cause dumping and harm to domestic manufacturers.

The Indian government has initiated a structural shift to decarbonise the heavily coal-dependent aluminium industry to secure export viability against global carbon taxes. NITI Aayog's 2026 Roadmap for Aluminium Sector Decarbonisation identifies a phased transition toward round-the-clock renewable integration, nuclear energy adoption, and Carbon Capture, Utilization, and Storage (CCUS) technologies. This is aimed at reducing emissions intensity and preserving export competitiveness as global carbon regulations tighten.

The Ministry of Mines introduced Quality Control Orders (QCOs) in August 2023 and April 2025 to mandate compulsory certification under the Bureau of Indian Standards (BIS) for several non-ferrous metals, including aluminium, copper, nickel, zinc, lead and tin. The objective was to ensure product quality, curb imports of sub-standard materials, promote fair trade practices and align domestic products with Indian Standards.

Subsequently, in November 2025, the Ministry of Mines withdrew these QCOs after consultation with the Bureau of Indian Standards, thereby removing the mandatory BIS certification requirement for the affected metals. The withdrawal was undertaken in the public interest and provided regulatory relief to manufacturers, importers and downstream industries, while preserving the validity of actions already taken under the earlier orders.

#### **d. Geopolitical issues in the commodity and its impact on Indian scenario**

According to the World Bank, geopolitical conflicts in the Middle East have weighed on the market. The World Bank's April 2026 outlook projects that these supply constraints, in addition with depleted global inventories, will drive average aluminium prices up by 21.6% year-on-year to \$3,200 per metric tonne in 2026. For India, this translates to significantly higher import costs for raw materials needed by downstream industries.

The India–EU Free Trade Agreement, which was concluded on 27th January 2026, opens preferential EU market access for Indian aluminium exporters. However, it does not exempt Indian aluminium from the EU's Carbon Border Adjustment Mechanism (CBAM), which levies charges on carbon-intensive imports and is set to substantially impact Indian producers given their continued dependence on coal-based power. The FTA is expected to enter into force in early 2027, but its implications are already influencing pricing and procurement decisions in India's aluminium markets.

### **2. Trading related parameter**

NSE had the following Aluminium derivatives available for trading on its Commodity Derivatives Segment in FY 2025-26.

- Aluminium Futures
- Aluminium Mini Futures

#### **a. Monthly and Annual traded volume (quantity in appropriate units)**

The traded volume for Aluminium derivatives in FY 2025-26 was NIL.

#### **b. Annual traded volume as proportion of total deliverable supply (quantity in appropriate units)**

The traded volume for Aluminium derivatives in FY 2025-26 was NIL.

#### **c. Annual traded volume as proportion of total annual production (quantity in appropriate units)**

The traded volume for Aluminium derivatives in FY 2025-26 was NIL.

**d. Annual average Open interest as proportion of total production**

The traded volume for Aluminium derivatives in FY 2025-26 was NIL.

**e. Annual average Open interest as proportion of total deliverable supply**

The traded volume for Aluminium derivatives in FY 2025-26 was NIL.

**f. Monthly and Annual value of trade (in Rs. Crores)**

The traded volume for Aluminium derivatives in FY 2025-26 was NIL.

**g. Monthly and Annual quantity of delivery (in appropriate units)**

The deliveries for Aluminium derivatives in FY 2025-26 was NIL.

**h. Monthly and Annual value of delivery (in Rs. Crores)**

The deliveries for Aluminium derivatives in FY 2025-26 was NIL.

**i. Monthly and Annual Average Open Interest (OI) (in appropriate units)**

The traded volume for Aluminium derivatives in FY 2025-26 was NIL.

**j. Annual average volume to open interest ratio**

The traded volume for Aluminium derivatives in FY 2025-26 was NIL.

**k. Total number of unique members and clients who have traded during the financial year**

The traded volume for Aluminium derivatives in FY 2025-26 was NIL.

**l. Ratio of open interest by FPOs/farmers/Hedge/VCP positions to total open interest (Annual average as well as maximum daily value)**

The traded volume for Aluminium derivatives in FY 2025-26 was NIL.

**m. Number of unique FPOs / farmers and VCPs/hedgers who traded in the financial year**

The traded volume for Aluminium derivatives in FY 2025-26 was NIL.

**n. Algorithmic trading as percentage of total trading**

The traded volume for Aluminium derivatives in FY 2025-26 was NIL.

**o. Delivery defaults**

**i. Number of instances**

**ii. Quantity involved**

**iii. Value involved**

The deliveries for Aluminium derivatives in FY 2025-26 was NIL.

**3. Price movements**

**a. Comparison, correlation and ratio of standard deviation of Exchange futures price vis-à-vis international futures price (wherever relevant comparable are available)**

The traded volume for Aluminium derivatives in FY 2025-26 was NIL.

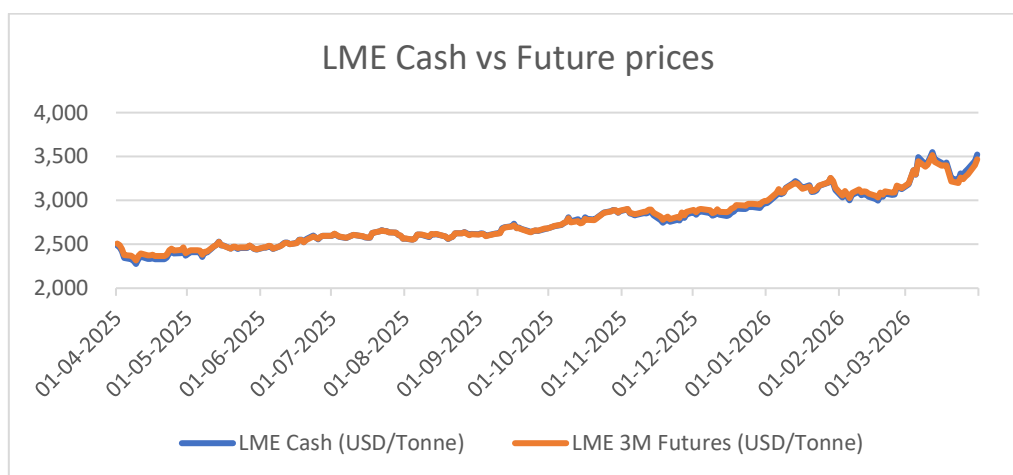
- b. Comparison, correlation and ratio of standard deviation of Exchange futures price vis-à-vis international spot price (wherever relevant comparable are available) and domestic spot price (exchange polled price).**

The traded volume for Aluminium derivatives in FY 2025-26 was NIL.

- c. Correlation between exchange futures & domestic spot prices along with ratio of standard deviation.**

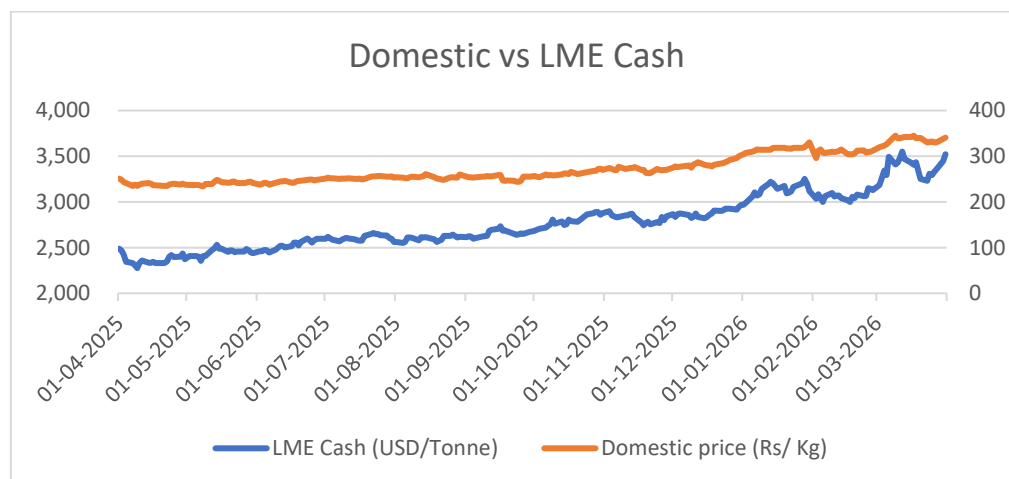
The traded volume for Aluminium derivatives in FY 2025-26 was NIL.

- d. Correlation between international futures & international spot prices along with ratio of standard deviation (wherever relevant comparable are available).**



Correlation: 99.76% | Ratio of Std Deviation: 1.019

- e. Comparison of Exchange polled price and mandi price (in case of agricultural commodities) / other relevant price (in case non-agricultural commodities) at basis centre.**



Correlation: 97.16% | Ratio of Std Deviation: 9.419

**f. Maximum & Minimum value of daily futures price volatility and spot price volatility along with disclosure of methodology adopted for computing the volatility.**

The traded volume for Aluminium derivatives in FY 25-26 was NIL.

<b>Commodity</b>	<b>Max Volatility in Futures Prices (%)</b>	<b>Min Volatility in Futures Prices (%)</b>	<b>Max Volatility in Spot Prices (%)</b>	<b>Min Volatility in Spot Prices (%)</b>
<b>Aluminium</b>	NA	NA	10.30%	0.00%

Volatility calculation:  $(\text{Day} - \text{Previous day's price}) / \text{Previous day's price}$

**g. Number of times the futures contract was in backwardation/contango by more than 4% for the near month contract in the period under review.**

The traded volume for Aluminium derivatives in FY 25-26 was NIL.

**4. Other parameters**

**a. Qualitative and quantitative measure for Hedge effectiveness ratio and basis Risk (Volatility of Basis) along with disclosure of methodology adopted for such calculations.**

The traded volume for Aluminium derivatives in FY 25-26 was NIL.

**b. Details about major physical markets of the commodity vis-à-vis market reach in terms of availability of delivery centers (information to be provided state-wise and UT-wise).**

Aluminium is the fastest growing non-ferrous metal in India and the same is evident by its growing and widespread use across the country. Most of the Aluminium Smelter are located near their respective alumina refineries. The major physical markets of Aluminium are Raipur, Visakhapatnam, Delhi, Ahmedabad, Bhiwandi, etc. For NSE Aluminium derivatives, Raipur is the primary delivery center.

**c. Details about major physical markets of the commodity and average Open Interest for each month generated from those regions.**

Major physical markets data provided in the point 4b. The traded volume for Aluminium derivatives in FY 25-26 was NIL.

**d. Details, such as number and target audience, of stakeholders' awareness programs carried out by the exchange.**

A total of 62 Commodity IAPs were conducted reaching out to 1987 participants. These participants included General public, faculties of educational institutes corporate employees, FPOs, Police officers and Women.

**e. Steps taken / to be undertaken to improve hedging effectiveness of the contracts as well as to improve the performance of illiquid contracts**

NSE is constantly striving to encourage hedgers to participate in the Aluminium contracts. We have value chain participants and associations such as Bombay Metal Exchange, Hindalco Ltd, Vedanta, Rashtriya Metal industries, etc. as part of our Base Metals PAC, who guide us on how to get more participation from physical market participants.

**5. Any other information to be disclosed as deemed important by the exchange or as suggested by the PAC.**