

# Materials

## Supply risks materialized following weekend's attacks on Middle East aluminium smelters

### What's new?

Emirates Global Aluminium (EGA) announced on 28 Mar that the company's Al Taweelah site at Khaifa Economic Zone in Abu Dhabi suffered from "significant damage" due to Iran's missile and drone attacks. Assessment of the damage is underway. Al Taweelah smelter produced 1.6mt of aluminium in 2025. Meanwhile, Aluminium Bahrain (Alba) (ALBH BI, NR) on 29 Mar confirmed that its facilities were hit by Iran's attacks. Level of damage is under assessed. Iran's Revolutionary Guards said the attack on the two targets is to respond to an earlier attacks on two Iranian steel plants.

### Implications:

For EGA, the actual damage is unknown at the moment, but the impact could be large given the sizeable capacity (~2% of global supply in 2025). For Alba, after the weekend's attack, there is a risk of further capacity suspension following the announcement of 19% cut on 15 Mar. Most importantly, the announcement by Iran's Revolutionary Guards suggested that the attacks were not accidents but well-planned actions. This implies that the upcoming supply risk will further increase as more smelters in the region could be targeted.

The weekend's incident further enhanced our view that ongoing supply disruption will continue boost the aluminium price. We see the Chinese aluminium players as safe haven assets. Maintain **BUY** on **China Hongqiao (1378 HK)** and **Chuangxin Industries (2788 HK)**.

### Supply disruption since the outbreak of Middle East conflict

Date of event	Smelter	Company	Nameplate capacity (kt)	Output in 2025 (kt)	Suspended capacity (kt)	Suspended capacity as % of global output (2025)	Latest Status
28/3/2026	Al Taweelah (Abu Dhabi, UAE)	EGA	1,500	~1,600	Not disclosed	N/A	EGA reported that its facilities sustained substantial damage in an Iranian missile and drone attack on 28 Mar. Damage assessment is ongoing.
15/3/2026	Alba (Manama, Bahrain)	Aluminium Bahrain (Alba)	1,620	1,623	~308 (19% of total capacity)	0.4%	On 15 Mar, Alba initiated a controlled shutdown of Lines 1, 2 and 3, as an operational measure to preserve business continuity amid ongoing supply and transit disruptions affecting the Strait of Hormuz.
3/3/2026	Qatalum (Mesaieed Industrial City, Qatar)	Qatalum (JV of Qatar Aluminium Manufacturing and Horsk Hydro)	648 (casthouse capacity: 690)	648 (casthouse production: 688)	~260 (40% of total capacity)	0.4%	Qatalum announced on 3 Mar that it had begun a controlled shutdown of its aluminium production following the suspension of gas supply. The company later suspended ~40% of capacity on 12 Mar. A full restart could take 6-12 months once gas supply stabilises, though no restart schedule has been confirmed.
Total			3,810	3,911	568	-	

Source: Company data, CMBIGM

**OUTPERFORM**  
(Maintain)

### China Materials Sector

#### Wayne FUNG, CFA

(852) 3900 0826

waynefung@cmbi.com.hk

#### Jake Zhang

(852) 3900 0849

jakezhang@cmbi.com.hk

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Address: 45/F, Champion Tower, 3 Garden Road, Hong Kong, Tel: (852) 3900 0888 Fax: (852) 3900 0800

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