
Chalco returns to profit in Q3

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Reuters reported that Aluminum Corporation of China Limited swung to a profit in the Q3 on surging demand for the metal which is widely used in transport and packaging.

It follows rival Alcoa Inc which surprised Wall Street earlier this month with its first profit in a year, a product of cost cutting and higher aluminum prices.

Chalco posted a July to September net profit of CNY 21.27 million down 88% from a restated profit of CNY 173 million per year earlier based on Chinese accounting standards. The profit reversed three consecutive quarterly losses and was in line with Deutsche Bank's forecast of a breakeven or slightly profitable Q3.

Alumina and Shanghai Futures Exchange aluminum prices rose 9% and 10% respectively from the Q2 to the Q3 as China's auto, construction and other sectors returned to fast growth.

CLSA said that cost cutting and higher selling prices should lift Chalco's net profit to CNY 1.24 billion in the H2. China's annual GDP growth quickened to 8.9% in the Q3 and industry output rose 12% to 14% in each of the past 3 months.

(Sourced from Reuters)

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