

## Aluminium tariff rollback talk brings little relief

Reports of a potential US aluminium tariff rollback come at a moment when the market is navigating tight fundamentals, low inventories and distorted trade flows. Below, we look at how tariffs have so far shaped aluminium's trade flows and pricing



LME aluminium eased on [headlines](#) suggesting President Donald Trump is considering rolling back some levies on aluminium and steel products amid concerns they are hurting US consumers. The White House has signalled adjustments to duties on derivative products, although Treasury Secretary Scott Bessent has since played down the likelihood of a broad rollback, while White House trade adviser Peter Navarro said there is "no basis in fact" for a story that the administration plans to reduce metals tariffs.

Fundamentally, the US remains structurally short aluminium, with domestic smelting capacity having declined over the past two decades due to high power costs and global competitive pressures. Earlier this year, EGA and Century Aluminium announced plans to build the first new US smelter since 1980 - a 750kt/year plant in Oklahoma - but with construction only starting later this year and production not expected until the end of the decade, it does little to change the near term supply picture. This means the US will continue to rely heavily on imported primary metal

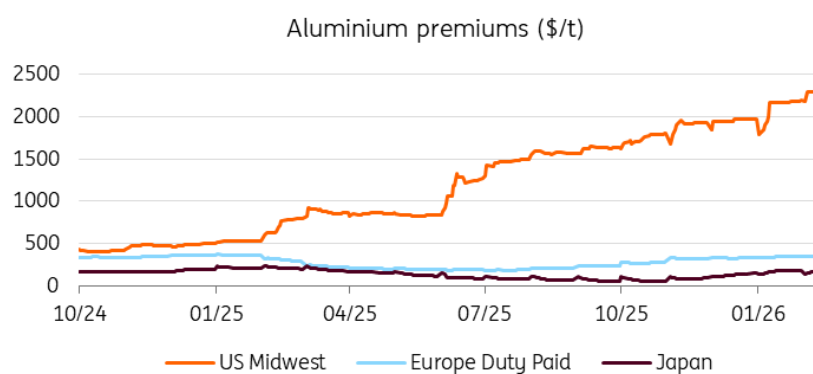
regardless of tariff policy. The potential rollback under discussion appears to focus on derivative products rather than primary aluminium, meaning the core levy on metal would remain unchanged.

## US aluminium prices soar

Trump doubled the levies to 50% in June last year and later expanded them to cover derivative products. Since then, aluminium prices in the US have risen faster than global prices, with the US Midwest premium climbing to an all time high this week - more than double its early June level when the 50% tariff took effect.

But if there was any rollback on the primary metal levies, the premium will be the first to react.

## Premiums have diverged since tariffs took effect



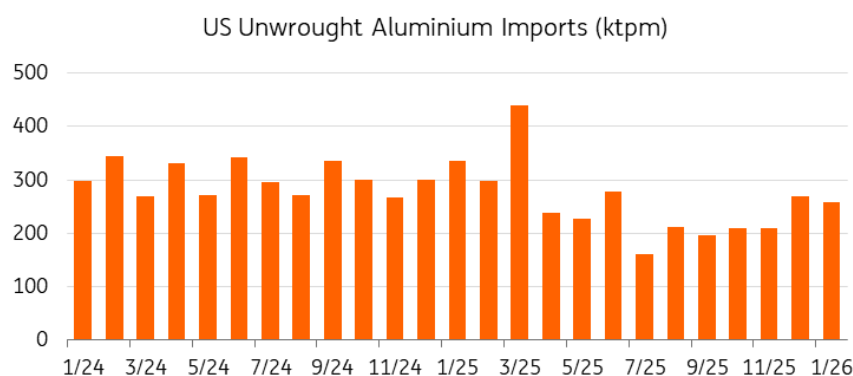
Source: Platts, Fastmarkets, ING Research

## Trade re-routing

Tariffs reshaped US aluminium flows - primary imports fell, scrap imports rose (as a raw material scrap is only subject to reciprocal tariffs), and Canadian metal was diverted to Europe (Canadian metal can go to Europe duty free).

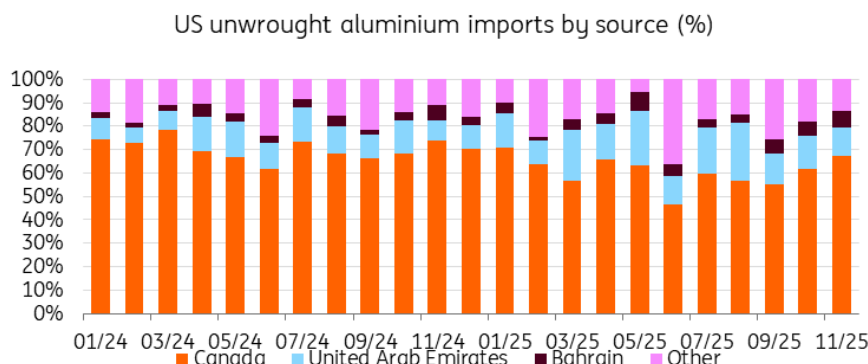
Still, US dependence on Canadian aluminium remains dominant.

## US aluminium imports have slowed down



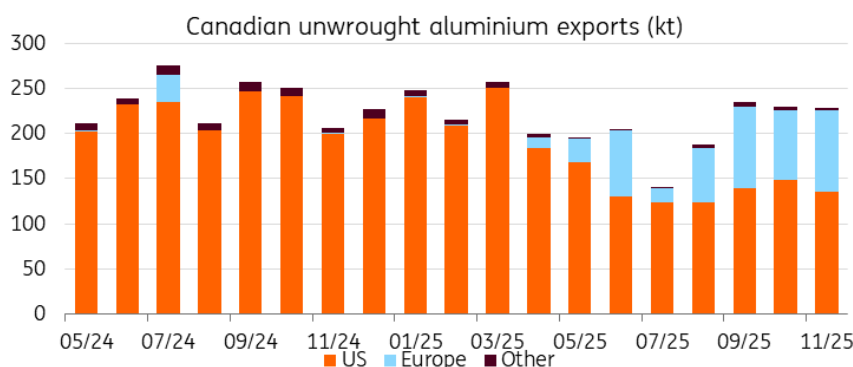
Source: US Department of Commerce, USGS, ING Research

## US import sources have shifted



Source: Trade Map, ING Research

## More Canadian metal flows to Europe



Source: TradeMap, ING Research

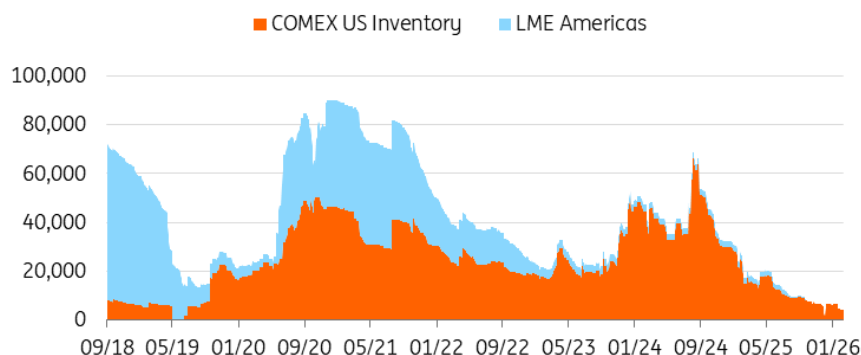
## US inventories are tight

Very little supply is left on the ground in the US.

Imports have been running below 2024 levels since the tariffs came in, reflecting both weaker demand and ongoing destocking. Exchange stocks have effectively been at zero since October, leaving the market with almost no buffer. This tightness could be amplified by a major US buyer, Arconic, which is [reportedly](#) looking for around 90 million lbs of spot metal for the second quarter – equivalent to around 10% of monthly US aluminium consumption – marking a shift away from long term contracting and adding significant pressure to an already constrained physical market.

On top of this, Project Vault injects further uncertainty. Project Vault is the US government’s plan to build a strategic stockpile of critical metals, including aluminium. There’s still no clarity on how the metal will be sourced – and if Washington starts buying, the market could tighten further.

## US consumers have been destocking



Source: Comex, LME, ING Research

## Supply constraints persist

A reduction in tariffs on derivatives wouldn't feed through to LME aluminium pricing. A rollback on primary metal, however, could ease the Midwest premium and unwind some of the past year's distortions.

But it won't shift the broader backdrop: global supply remains tight, inventories are thin, speculative positioning elevated, and regional markets increasingly shaped by policy risk. The LME will keep trading a mix of fundamentals and momentum, while US premiums remain the clearest gauge of any policy move.

The next policy step may redirect flows and nudge premiums, but it won't loosen a market that is structurally [tightening](#).

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