

Bank Of America Downgrades RusAl Forecast Value

By [The Moscow Times](#)

August 16, 2013

The  Moscow Times

Bank of America Merrill Lynch Global Research downgraded the forecast value of shares in aluminum giant RusAl from 9.3 to 1.7 Hong Kong dollars per share.

The bank also switched its recommendation for RusAl securities from “buy” to “sell,” Vedomosti reported Friday.

The current consensus forecasts for RusAl stock, based on the estimates of analysts from 14 investments banks, make up 3.62 Hong Kong dollars per share, the consensus recommendation is to “hold.”

Based on the Hong Kong Stock Exchange’s Aug. 15 auction results, the closing price of RusAl’s securities amounted to 2.54 Hong Kong dollars a piece.

Aluminum prices at the London Metal Exchange in the last 10 days continue to rise — a ton of

aluminum is now worth \$1,842.

Bank of America said the downgrade was due to aluminum prices, which could drop by 3 percent by the end of 2013.

The bank's analysts believe that by mid-2014 a ton of aluminum could be worth 10 percent less than it is now, which means a reduction in the company's profitability.

Norilsk Nickel dividends will now play a key role for RusAl, the analysts said.

RusAl's capitalization fell by 5.12 percent to \$4.6 billion on the Hong Kong Stock Exchange on Thursday, whereas its 27.8 percent stake in Norilsk Nickel is worth \$5.8 million.

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