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(Bloomberg) -- Aluminum rose for a fifth day toward its highest close in nearly nine months, after the European Union backed a gradual ban on the Russian metal, threatening supplies.

EU ambassadors agreed Wednesday to move forward with a fresh package of sanctions against the key supplier for its invasion of Ukraine, including a gradual ban on aluminum imports and its shadow oil tanker fleet. Since the war started three years ago, Russia's shipments to the bloc have fallen steadily as manufacturers sought alternative suppliers.

Read More: [EU Proposes Russian Aluminum Ban in New Sanctions Package \(1\)](#)

Beyond the EU, other restrictions on Russian metal flows have rattled the global aluminum market, including the London Metal Exchange's ban on deliveries of new product from the nation. Prices of the most widely used metal by volume have extended gains to 6% so far this year, along with a broad rally in commodities.

Copper Morning Technical (4-hour)

| | |
|---|---------|
| LMCAD503 Comdty - Last Price | 9509.00 |
| Close on 01/09 ---- | 9078.50 |
| EMAVG (3) on Close (LMCAD503) | 9494.68 |
| EMAVG (15) on Close (LMCAD503) | 9457.52 |
| EMAVG (30) on Close (LMCAD503) | 9439.25 |
| EMAVG (60) on Close (LMCAD503) | 9384.30 |
| Moving Average(Simple,200,0) (LMCAD503) | 9163.77 |



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 9,461 | R1 | 9,521 | RSI above 50 | |
| S2 | 9,310 | R2 | 9,573 | | |
| S3 | 9,176 | R3 | 9,697 | | |

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (56)
- Stochastic is above 50
- Price is above the daily pivot point USD 9,461
- We remained bullish with a neutral bias yesterday. The futures were at an inflection point as price continued to trade around the linear regression line (USD 9,439), and the daily 200-period MA (9,436). Elliott wave analysis suggested that downside moves should be considered as countertrend; however, if we remained below the USD 9,436—USD 9,439 resistance zone, then the USD 9,310 and USD 9,176 support levels remained vulnerable. Conversely a close above that holds above this zone will warn that the USD 9,573 resistance could be tested and broken. This technical needed to affirm near-term directional bias.
- The futures are above and holding above the linear regression line (USD 9,458), resulting in price seeing a small move higher on the open. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 9,461 with the RSI at or below 50.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 9,573 will warn that there is further downside within this corrective phase, above this level the technical will be back in bullish territory. Conversely, corrective moves that hold at or above USD 9,176 will warn that there is potentially a larger, bullish Elliott wave cycle coming into play.
- Technically bullish with a neutral bias, the MA on the RSI implies that we have light momentum support. The futures closed above the 200-period MA yesterday (USD 9,434), whilst holding above the regression line, suggesting the USD 9,573 resistance could be tested and broken. If it is, the technical will be back in bullish territory. As noted previously, higher timeframe Elliott wave analysis continues to suggest that downside moves should be considered as countertrend.

Aluminium Morning Technical (4-hour)



| Support | Resistance | Current Price | Bull | Bear |
|---------|------------|---------------|--------------|-----------------------|
| S1 | R1 | 2,708 | RSI above 50 | Stochastic overbought |
| S2 | R2 | | | |
| S3 | R3 | | | |

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 2,680
- Technically bullish yesterday, the MA on the RSI implied that we had light momentum support. The futures had closed above the linear regression line, resulting in the USD 2,668 fractal resistance being tested and broken. Lower timeframe Elliott wave analysis suggested downside moves should be considered as countertrend, implying resistance levels remained vulnerable.
- The futures continued to move higher, resulting in price breaking the USD 2,705 fractal resistance. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy side.
- A close on the 4-hour candle below USD 2,680 with the RSI at or below 55.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,625 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies that momentum is supported. The upside move has resulted in the RSI breaking its resistance that formed on the 10/02, supporting the move higher. This suggests that downside moves should be considered as countertrend in the near-term, making USD 2,625 the key support to follow. A move below this level will warn that the probability of the futures trading to a new high has started to decrease.

Zinc Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 2,877 | R1 | 2,908 | RSI above 50 | |
| S2 | 2,831 | R2 | 2,926 | | |
| S3 | 2,807 | R3 | 2,986 | | |

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (59)
- Stochastic is above 50
- Price is above the daily pivot point USD 2,877
- Technically bullish yesterday, we noted previously that the break in the RSI warned of technical weakness. Although the futures have seen a small move higher, this remained the case, as a move above USD 2,900 would create a negative divergence with the RSI. Not a sell signal, it warned that we could see a momentum slowdown which needed to be monitored. The breach in the USD 2,890 level recently did mean that the probability of the futures trading to a new low had started to decrease, making USD 2,772 the key support to follow, as corrective moves that hold above this level would warn that there was potentially a larger bullish Elliott wave cycle in play.
- The futures sold to a low of USD 2,857.5; however, we have held the EMA support band, resulting in the futures trading above the USD 2,900 fractal resistance, meaning the futures are in divergence with the RSI. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 2,877 with the RSI at or below 54 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 2,772 will support a bull argument, below this level the technical will have a neutral bias.
- The futures are technically bullish with the probability of price trading to a new low decreasing; however, we are now in divergence with the RSI. Not a sell signal, it is a warning that we could see a momentum slowdown, which needs to be monitored. Due to the divergence, we are now cautious on upside moves as they could struggle to hold.

Nickel Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 15,527 | R1 | 15,625 | RSI above 50 | |
| S2 | 15,410 | R2 | | | |
| S3 | 15,386 | R3 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (56)
- Stochastic is above 50
- Price is above the daily pivot point USD 15,386
- Technically bullish but with a neutral bias yesterday, the probability of the futures trading to a new high had decreased. The MA on the RSI implied that we have light momentum weakness, whilst price has rejected the 200-period MA (15,520) on the last 3 tests to the upside, warning we were seeing sell side pressure at higher levels. Countering this, we had double bottom support that has formed between USD 15,250—USD 15,240, meaning we had a range forming (neutrality). The depth of the pullback did suggest caution on upside moves; however, if we closed above and held above the longer-term average, it would warn that buy-side support was entering the market, leaving resistance levels vulnerable. Likewise, downside breakouts below USD 15,240 would imply sell side pressure was increasing, meaning the USD 15,030 fractal low could be tested and broken. Mixed signals had resulted in a range forming, suggesting near-term price action was neutral.
- The futures traded sideways yesterday; however, price has moved higher in the Asian day session, with the futures above the 200-period MA (USD 15,526) having breached the USD 15,662 resistance. We are now above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 15,386 with the RSI at or below 46 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 15,416 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish due to the breach in the USD 15,662 resistance, meaning the probability of the futures trading to a new low is starting to decrease. The MA on the RSI implies that we have light momentum support, whilst price is above the 200-period MA (USD 15,526), if we hold above the average it will warn that resistance levels could be tested and broken.

Lead Morning Technical (4-hour)



| | Support | Resistance | Current Price | Bull | Bear |
|----|---------|------------|---------------|--------------|------|
| S1 | 1,993 | R1 | 2,006.5 | RSI above 50 | |
| S2 | 1,989 | R2 | | | |
| S3 | 1,983 | R3 | | | |

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (57)
- Stochastic is above 50
- Price is above the daily point USD 1,988
- Technically bullish but in a corrective phase yesterday, the MA on the RSI implied that we had light momentum weakness; countering this, price was holding the USD 1,977 Fibonacci support. The intraday corrective cycle lacked clarity; if we traded above the high of the daily rejection candle (USD 2,006.5), it would indicate that buy-side pressure was increasing, suggesting the USD 2,020.5 resistance would be tested and broken. Likewise, downside moves that closed on the daily candle below USD 1,989 would warn the USD 1,977—USD 1,964 support levels could come under pressure. We noted that with the intraday RSI making lower lows, we are more cautious on moves higher in the near-term.
- The futures have moved higher with price breaching the USD 2,06.5 resistance this morning. We are above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the buy-side.
- A close on the 4-hour candle below USD 1,988 with the RSI at or above 48.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 1,983 will support a bull argument, below this level the technical will have a neutral bias.
- Technically we are bullish. Due to the RSI pullback yesterday, the upside move has created a negative divergence with the RSI; not a sell signal, it is a warning that we could see a momentum slowdown, which needs to be monitored. Countering this, the upside move today above USD 2,006.5 has followed a bullish daily rejection candle yesterday. The mixed technical means we are neutral; however, if the divergence fails, then resistance levels will be vulnerable.

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