



# Aluminium Premium

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## Aluminium Premium Q3



Support	Resistance	Close Price	Bull	Bear
S1	R1	0.4993	RSI above 50	
S2	R2			
S3	R3			

### Synopsis - Intraday

Source Bloomberg

- Price is between the 34 - 55 period EMA's
- RSI is above 50 (58)
- Stochastic is above 50
- We noted on the previous report that the downside move below the USD 0.3883 support meant that price had entered bearish territory. The RSI was in the process of crossing its MA; however, the average on the RSI warned that momentum remained weak at that point. Both price and the RSI had recently made new lows, implying that upside moves could struggle to hold, making USD 0.3901 the key resistance level to follow. Upside moves that failed at or below this level would leave the futures vulnerable to further tests to the downside; if broken, then the probability of price trading to a new low would start to decrease. Based on the momentum low, we had a note of caution on moves higher at that point.
- The futures traded up to 0.3907 before the announcement of the tariffs being raised on the 30/05; this resulted in price jumping and trading to a high of USD 0.5983. The futures have now entered a corrective phase, with price now trading between the 8-21 period EMA's; however, the RSI remains above 50.
- Downside moves that hold at or above USD 0.4486 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside spike has resulted in the RSI making new highs, warning downside moves have the potential to be countertrend in the near-term. A close below the USD 0.4849 Fibonacci support will warn that the USD 0.4687 level could come under pressure. This support is two standard deviations below the linear regression line, suggesting price will start to look overextended to the downside at these levels. However, if we do trade below USD 0.4486, market longs should be cautious, as the probability of price trading to a new high will start to decrease.

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