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(Bloomberg) -- Aluminum supply constraints are expected to bolster prices of the lightweight metal, according to some of the world's major producers.

"The challenge with aluminum has never been about demand, it's always been about cheap, low-cost, subsidized smelters in China," South32 Ltd. Chief Executive Officer Graham Kerr said on a conference call on Thursday. "That dynamic we feel is shifting, which provides price support."

Beijing has capped national aluminum smelting capacity at 45 million tons a year to rein in power consumption and emissions. Outside China, high energy prices have posed challenges for producers, with South32 confirming that its Mozal plant in Mozambique will likely be placed on care and maintenance in March.

China's top state-owned producer Aluminum Corp. of China Ltd., known as Chalco, echoed that view in its earnings statement on Wednesday, saying additions to global aluminum capacity will "remain limited" in the second half of 2025.

Aluminum prices have been underpinned in recent months by dwindling London Metal Exchange stocks and shifting trade flows as Russian exports increasingly move to Asia. The futures contracts rose 0.3% to \$2,609 a ton on the LME as of 12:01 p.m. in Singapore.

Domestic and international aluminum ingot inventories are likely to remain near recent lows, while consumption growth in the new energy sector is expected to be resilient, according to Chalco.

"Barring any unexpected market risks, the aluminum industry is projected to maintain a stable and positive trajectory," Chalco said.

Copper Morning Technical (4-hour)



	Support		Resistance	Current Price	Bull	Bear
S1	9,702	R1	9,797	9,779	RSI above 50	
S2	9,760	R2	9,851			
S3	9,671	R3	9,880			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- The RSI above 50 (51)
- Stochastic is below 50
- Price is above the daily pivot point USD 9,781
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported. The breach in the resistance did suggest that downside moves should be considered as countertrend; however, the futures and the RSI were holding resistance, the RSI was divergent. Although there was evidence of support in the market: as highlighted previously, the divergence and resistance suggested that we were becoming vulnerable to an intraday pullback, warning the 200-period MA (USD 9,767) could come under pressure in the near-term. For upside continuation the futures would need to close and hold above the USD 9,865.5 level, with the divergence failing.
- Resistance held resulting in price trading below the 200-period MA (USD 9,761), bid support into the close and on the Asian open mean price is back above the average. We are above the EMA support band with the RSI near-neutral at 51, intraday price and momentum are conflicting, as the previous candle closed above the daily pivot level.
- A close on the 4-hour candle above USD 9,781 with the RSI at or above 58 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side. Downside moves that hold at or above USD 9,671 will support a bull argument, below this level the technical will have a neutral bias.
- Bullish but in a corrective phase, the MA on the RSI is flat, implying momentum is neutral. A double top formation and an M-pattern breakdown imply intraday weakness, resulting in the futures closing below the linear-regression line (USD 9,797); however, price is holding above the 200-period MA at this point. A bearish engulfing candle on the daily chart is warning that support levels could come under further pressure. A high volume candle on 200-period MA yesterday indicates market buyers were defending the average, a close that holds below it will warn the USD 9,670.5 fractal support could be tested.

Aluminium Morning Technical (4-hour)



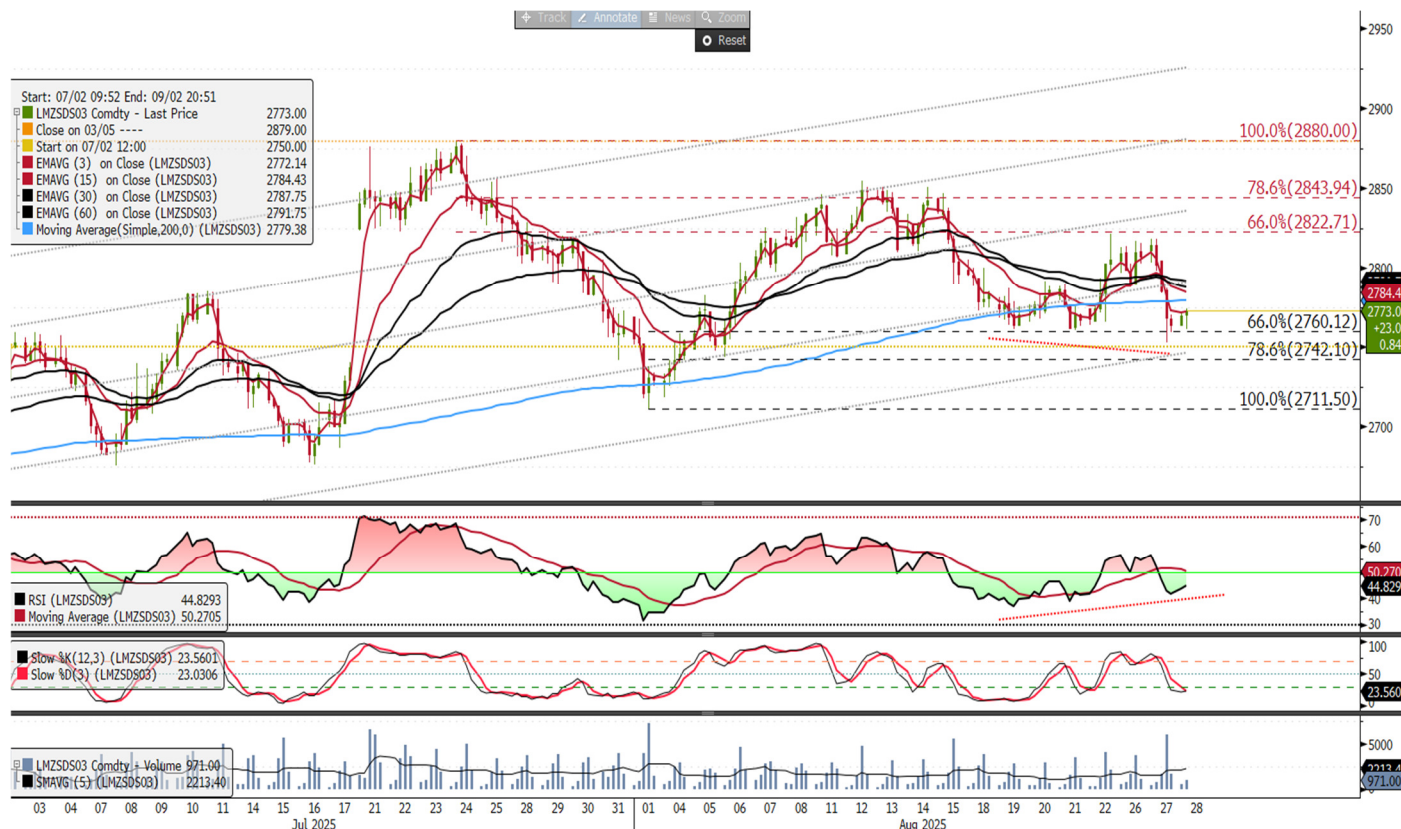
Support		Resistance		Current Price	Bull	Bear
S1	2,602	R1	2,614	2,610.5	RSI above 50	
S2	2,587	R2	2,656			
S3	2,576	R3	2,683			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is below 50
- Price is above the daily pivot point USD 2,614
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported. The futures were approaching a resistance zone that had formed in late July, whilst the RSI was approaching a resistance level from the same period. We also highlight the 100% Fibonacci projection level (A-B = C-D) was at USD 2,656, whilst the linear regression line was at USD 2,654. With resistance above us, whilst the RSI on the 1-hour timeframe was divergent, the technical warned that buy-side momentum could slow, meaning we were cautious on upside moves at those levels. USD 2,587 was the key level to follow; corrective moves that held above this level will imply there was an underlying support in the market. If broken, the USD 2,558 support become vulnerable. A cautious bull, as the technical warned that we were vulnerable to a move lower.
- The futures sold to a low of USD 2,594.5 before finding light bid support. We are above the EMA support band with the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,614 with the RSI at or above 59.5 will mean price and momentum are aligned to the buy-side. Downside moves that hold at or above USD 2,587 will support a near-term bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the futures are holding above the intraday 200-period MA (USD 2,602) having produced two high volume candle on the average is consecutive days, this is countered by the upside rejection from the resistance area highlighted previously. Lower timeframe Elliott wave analysis (sub 1-hour) did show a cycle completion, meaning the USD 2,587 support is starting to look vulnerable, warning it could come under pressure. The last dominant high volume bull candle has a low of USD 2,601, an intraday 4-hour close below this level will indicate sell side pressure is increasing. Despite the bull support on the average, we are cautious on upside moves due to the resistance zone (marked in red), the linear regression (USD 2,654) and the 100% Fibonacci projection (USD 2,656).

Zinc Morning Technical (4-hour)



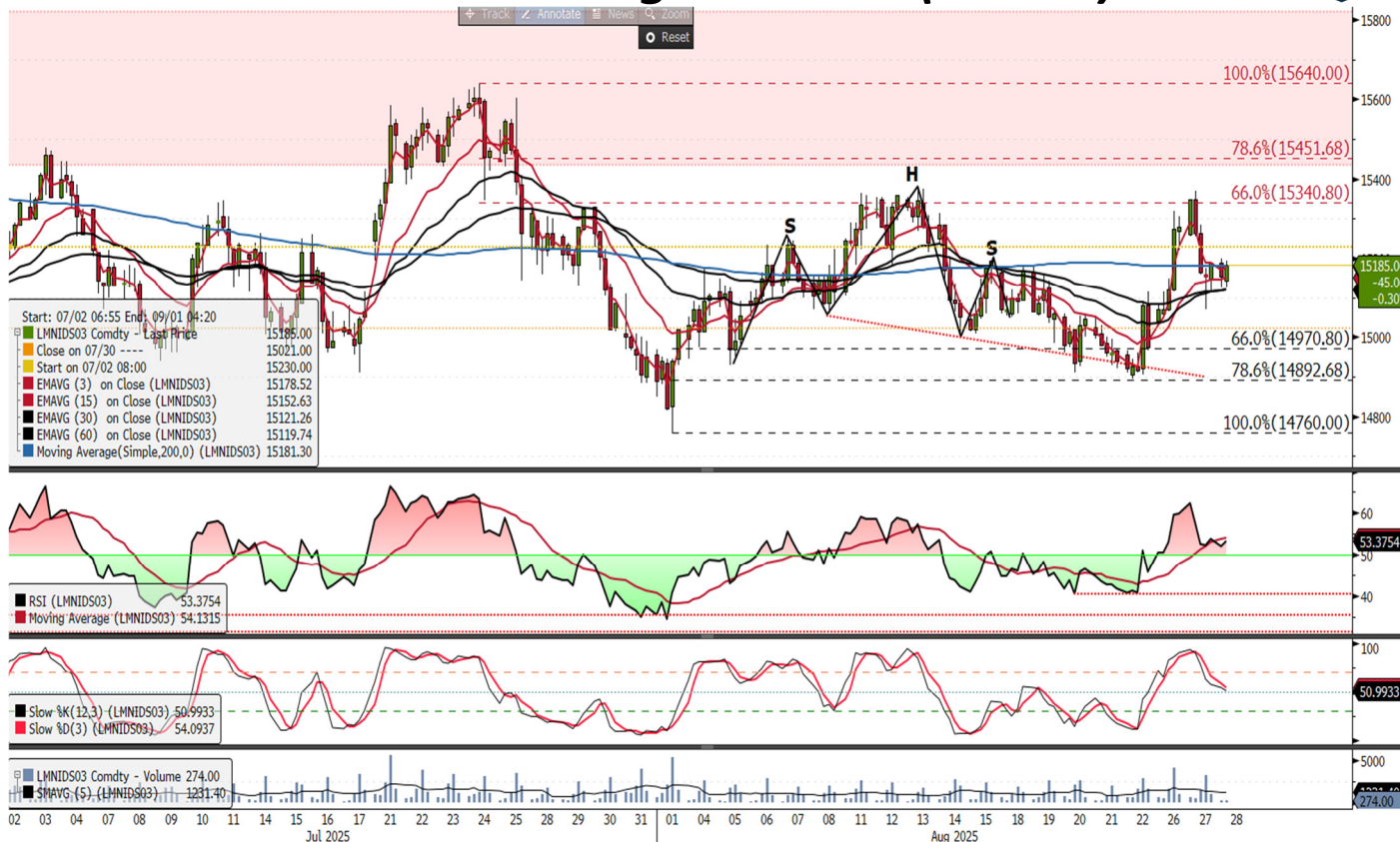
Support	Resistance	Current Price	Bull	Bear
S1	R1	2,773	Stochastic oversold	RSI below 50
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (44)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,777
- Unchanged on the technical yesterday. We remained bearish with a neutral bias, the MA on the RSI implied that momentum was supported, whilst price had held above key support previously. However, the longer-term structure on the upside move did not look like it was bullish impulse, whilst price was below the daily 200-period MA (USD 2,818). A close above that held above this level on the daily timeframe would imply that there was an underlying support in the market; however, whilst below the average, we had a note of caution on upside moves. Conversely, a close below the intraday 200-period MA (USD 2,780.5) would indicate sell side pressure was increasing.
- The futures rejected the daily 200-period MA (USD 2,816), resulting in price closing below the intraday 200-period MA (USD 2,779) and the USD 2,760 support, meaning the technical is back in bearish territory. We are below all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,777 with the RSI at or above 52.5 will mean price and momentum are aligned to the buy side. Upside moves that fail at or below USD 2,822 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, the MA on the RSI implies that we have light momentum weakness, whilst the longer-term structure does not look to be bullish impulse, the deep pullback and intraday close below the 200-period MA (USD 2,779) indicate technical weakness. However, the new low has created a positive divergence with the RSI, warning sell side momentum could slow in the near-term, meaning we are cautious on intraday moves lower today, unless the divergence wails. Bearish but a little overextended to the downside.

Nickel Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	15,058	R1	15,190	15,185	RSI above 50	
S2	14,970	R2	15,340			
S3	14,892	R3	15,451			

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 below the daily pivot point USD 15,190
- Technically bullish yesterday, the MA on the RSI implied that momentum was supported. The move higher was supported by the RSI making new highs, whilst the move above USD 15,340 suggested that the probability of the futures trading to a new low had started to decrease. With the H&S pattern failing, coupled with the RSI making new highs, we had a note of caution on downside moves.
- The futures entered a corrective phase yesterday with price testing but holding above the EMA support band, the RSI is above 50 but price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 15,190 with the RSI at or above 57 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 14,970 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the downside move has held the EMA support band with price producing a bullish support candle; however, price is currently at an inflection point, as we are trading on the intraday 200-period MA (USD 15,181). A close that holds above the average will support a buyer's argument, warning resistance levels could come back under pressure. Conversely, if we close below the average, and the low of the bull support candle (USD 15,070), then we could see the USD 14,970 Fibonacci support coming under pressure. If broken, the probability of the futures trading to a new high will start to decrease. Although we are at an inflection point, we continue to be cautious on corrective moves lower due to the breach in the USD 15,340 resistance, a failed breakout on the bearish H&S pattern, alongside the technical being in bull territory.

Lead Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	1,987	R1	1,992	1,990.5	RSI above 50	
S2	1,958	R2	2,005			
S3	1,936	R3	2,012			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is below 50
- Price is above the daily point USD 1,987
- Technically bearish yesterday, the futures were in the process of rejecting the intraday and daily 200-period MA's; however, the recent upside move had been on a positive divergence with the RSI. A close below the low of the last high volume dominant bull candle (USD 1,979.5) would indicate that sell side pressure was increasing, warning support levels could be tested. There were some conflicts in the technical, suggesting neutrality, the upside rejection meant that we were cautious on higher moves until the USD 2,012 resistance has been breached, with price needing to close and hold above the daily 200-period average.
- Sideways to slightly lower yesterday, the futures have seen light bid support this morning. We are above the EMA support band with the RSI above 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 1,987 with the RSI at or above 55 will mean price and momentum are aligned to the buy side; likewise, a close above this level will mean it is aligned to the sell side. Upside moves that fail at or below USD 2,012 will warn there could be a larger, bearish, Elliott wave cycle in play.
- Unchanged on the technical this morning, the futures remain below the daily and intraday 200-period MA's (USD 1,992—USD 2,005) meaning we are cautious on upside moves whilst below the averages. However, we have moved higher on a positive divergence with the RSI, for downside continuation, we still need to see a close below the low of the last dominant bull candle (USD 1,979.5)

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