



Aluminium Technical Report

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Synopsis

This technical is looking at Aluminium on different timeframes (Weekly, daily, intraday, and market profile). Our analysis is based on our interpretation of multiple timeframe Elliott wave cycles, alongside standard technical analysis.

The Technical is based purely on price and not fundamental analysis, it highlights the longer-term bull structure of the market.

There are some questions on this cycle, as we are yet to confirm that we are on a bullish impulse wave 3 of the higher timeframe wave 5. We mark USD 2,899.5 as a key level on the technical, as price needs to trade above this level within the current wave (III) to confirm the longer-term technical is bullish impulse. Failure to do so will bring into question the integrity wave cycle.

Trade Ideas

Aluminium March 2026 LME Call Spread:

Buy 2900 calls / Sell 3100 calls 1x1

We would like to highlight the above possible trade idea based on our technical analysis that indicates a medium-term bullish view. Aluminium 3m price remains above the 34-55 EMA band, with the RSI and Stochastics supportive, all pointing to the upside. The market has broken above the 2736 double-top adding to the support while the critical 2899.50 level marks the threshold for validating the broader Elliot Wave (III) bullish impulse.

Intraday price action suggests that the recent dip to 2714.50 was a countertrend wave 4, and a break above 2807.50 would confirm the start of a 'mini' wave within wave 3, with upside targets beyond 2900. Looking over the last 5 years we can see a strong base of support being built.

The 2900 strike aligns with the key breakout level. With the timeframe relatively unknown for when the true bullish move will come into play, subject to market conditions, possibly you can roll this call spread into future months as it gets nearer expiry, should the initial strikes not come into fruition. It is also an option to roll the higher leg to extend the bullish scope if the price moves further into the wider wave 5, again subject to liquidity and market conditions.

Aluminium Weekly Elliott Wave



Synopsis

Source Bloomberg

- Price is above the 34—55 period EMA's
- RSI is above 50 (62)
- Stochastic is overbought
- This longer-term bullish Elliott wave cycle has been in play since November 2015.
- The highest timeframe cycle looks to have entered a wave 5 in December 2023
- We look to have completed the bearish correction in December 2025 (a Flat A, B, C), This cycle is lagging the copper cycle highlighted two weeks ago, we also note that the low of C failed to trade below low of A on the highest timeframe.
- If C is correct, then we look to be on a wave 3 of a higher timeframe wave 3 (of the wave 5)
- The futures have closed above the USD 2,732 - USD 2,736 double top formation. If the weekly timeframe can hold above this level, it will signal upside continuation. Conversely, market bulls will need to be cautious on a close below this area.
- We look to be on a bullish Elliott wave 3 on the weekly timeframe; if correct, then downside moves should in theory be countertrend.

Aluminium Daily Technical (Logarithmic)



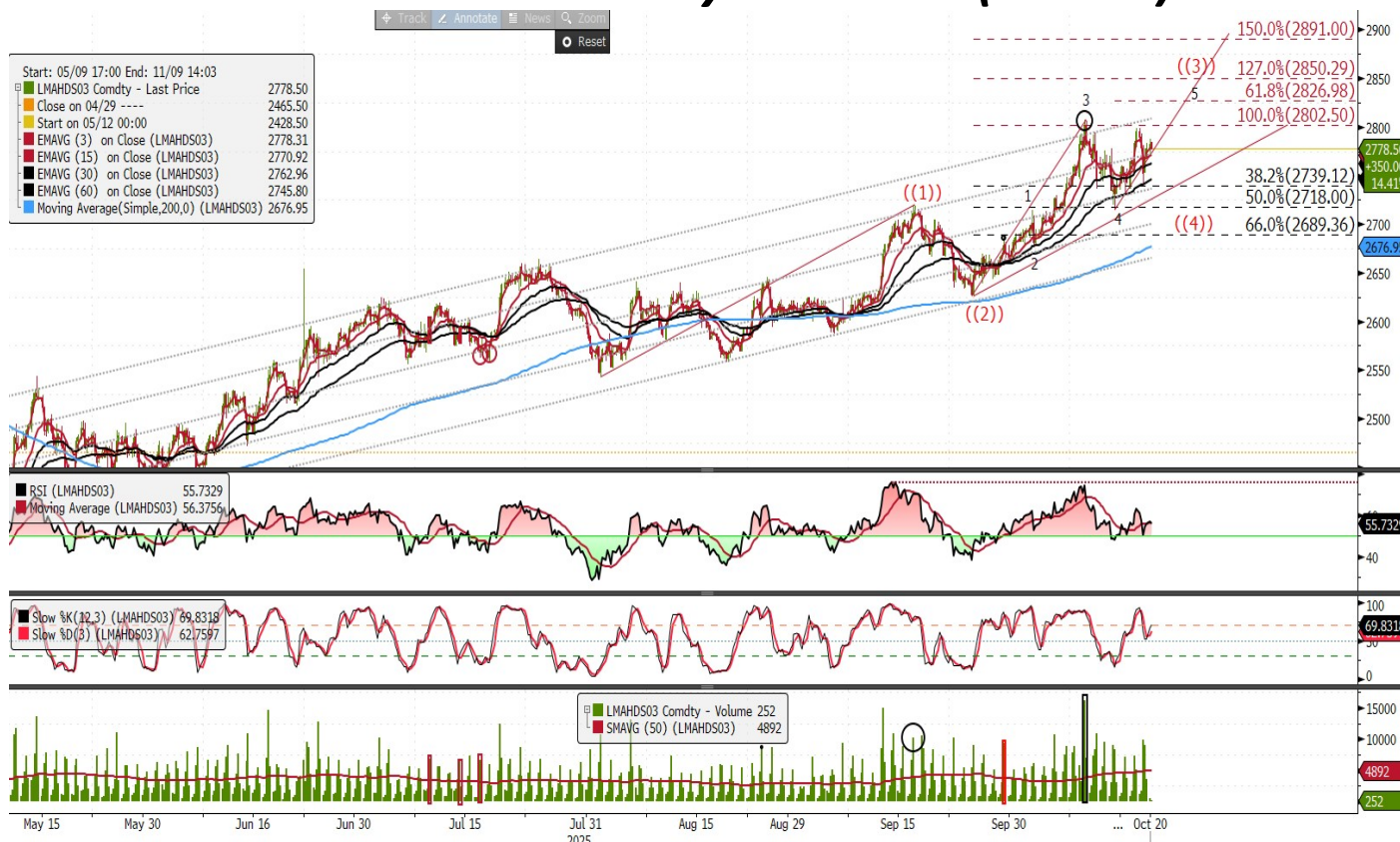
Support	Resistance	Current Price	Bull	Bear
S1	R1	2,772	RSI above 50	Stochastic overbought
S2	R2			
S3	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the 34-55 period EMA's
- The RSI above 50 (62)
- Stochastic is overbought
- The futures look to be in a higher timeframe Elliott wave 3; within this cycle they are on a lower timeframe bullish wave 3 of 3.
- The MA on the RSI implies that momentum is supported, whilst the RSI made a new high alongside price last week, implying downside moves should in theory be countertrend
- The futures have closed above the double top formation, USD 2,736; if we hold above this level, it will support a near-term bull argument.
- The next part of the analysis is a bit complex; however, we have added it for Elliott wave enthusiasts. It is summed up very simply on the last line.
- The lower timeframe Elliott wave cycle (wave ((3)) in red) has a near-term upside target of USD 2,907.5, at this point the ((3)) will be equal in length to the wave ((1)). Technically we would like to see this achieved, as it will mean the lower timeframe cycle is not capped; however, it is essential that the higher timeframe (III) trades at or above the USD 2,899.5 fractal high (achievable). The reason behind this is that in Elliott wave analysis, the golden rule is that wave 3 can never be the shortest wave (to reiterate, the wave 3 in question is the highest time cycle on this chart (III) marked in black); if the (III) is shorter than the (I) (projected from the base at (II)), it will mean that the (V) must be shorter than the (III), meaning we will be unable to trade above the USD 4,073.5 fractal high from March 2022. As in the higher timeframe (V) will be capped.
- We have highlighted multiple timeframe Elliott wave cycles on this chart. Elliott wave is complex, so we will keep it simple. **USD 2,899.5 is the key level on this technical, we need to trade above it.**

Aluminium Intraday Technical (4-hour)



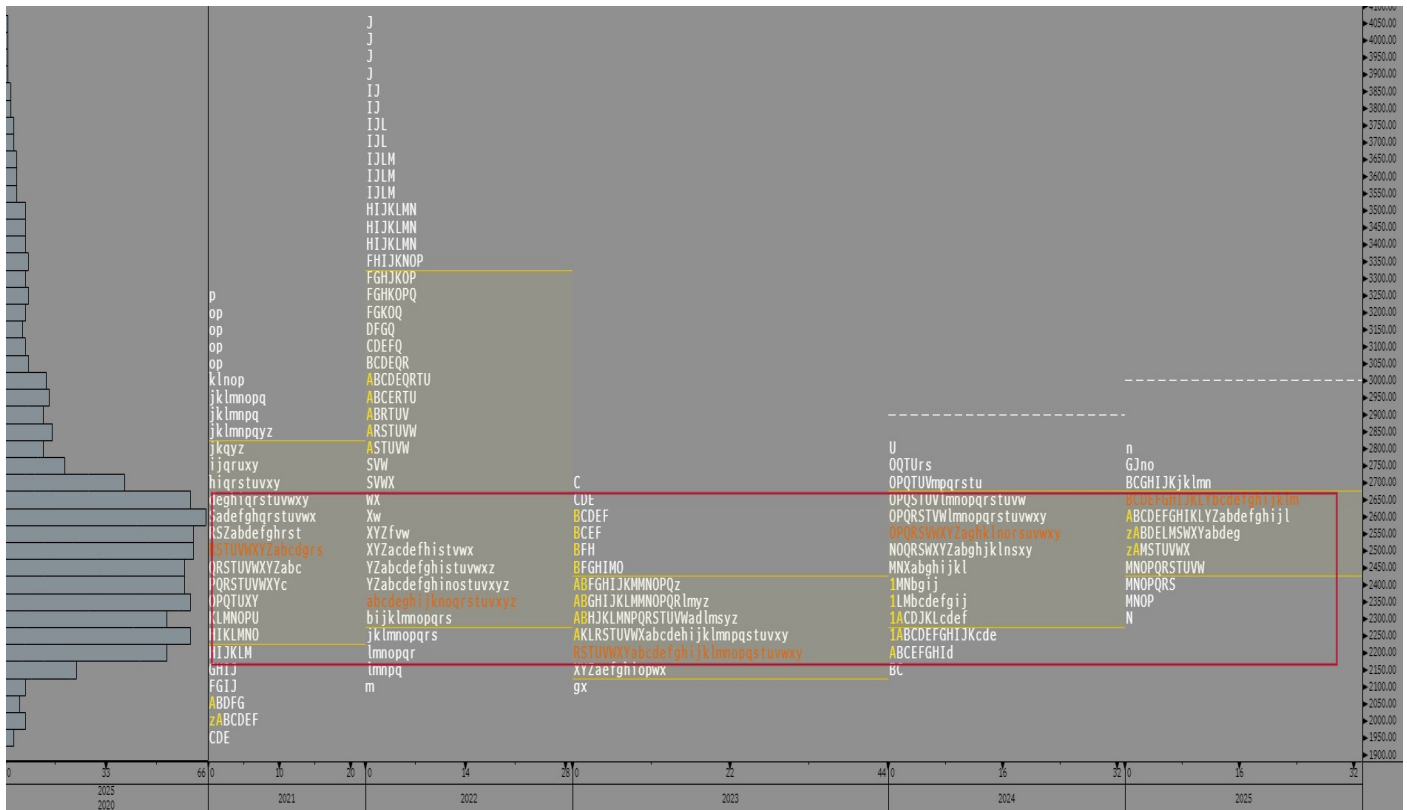
Support		Resistance		Current Price	Bull	Bear
S1	2,739	R1	2,802	2,778.5	RSI above 50	
S2	2,718	R2	2,826			
S3	2,689	R3	2,850			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (55)
- Stochastic is above 50
- We are looking at the lowest timeframe on the cycle, the intraday.
- Technically bullish, the downside move last week to a low of USD 2,714.5 signalled the futures had entered a countertrend wave 4, we are yet to trade above USD 2,807.5, meaning we are yet to confirm that we have entered the wave 5 of the higher timeframe wave ((3)). Downside moves are still considered as countertrend on the lower timeframe cycle at this point.
- Upside moves above USD 2,807.5 will have a potential near-term target at USD 2,826 for this phase of the cycle; however, a new high will create a negative intraday divergence with the RSI. Not a sell signal it is a warning that we could see a momentum slow-down, which will need to be monitored.
- Key support on this technical is at USD 2,689, a move below this level will warn that the probability of the futures trading to a new high will start to decrease.
- Bullish, downside moves should be considered as countertrend.

Market Profile



Source Bloomberg

Synopsis - Intraday

- The market profile chart (market picture on Bloomberg) is based on a monthly timeframe and illustrates the most heavily traded area over the last 5 years.
- This chart will have a closer relationship to the weekly Elliott wave cycle (chart 1).
- There are question over the longer-term bullish Elliott wave cycle whilst price is below the USD 2,899.5 level , as the integrity of the longer-term cycle will come into question if this level is not achieved. However, we can see over the last 5 years that the futures have built a base on the market profile chart (red box), with price testing and trading above the base of the support area at this point. If we can hold above the USD 2,650 level, it will have bullish implications going forward.