FIS

Aluminium Premium

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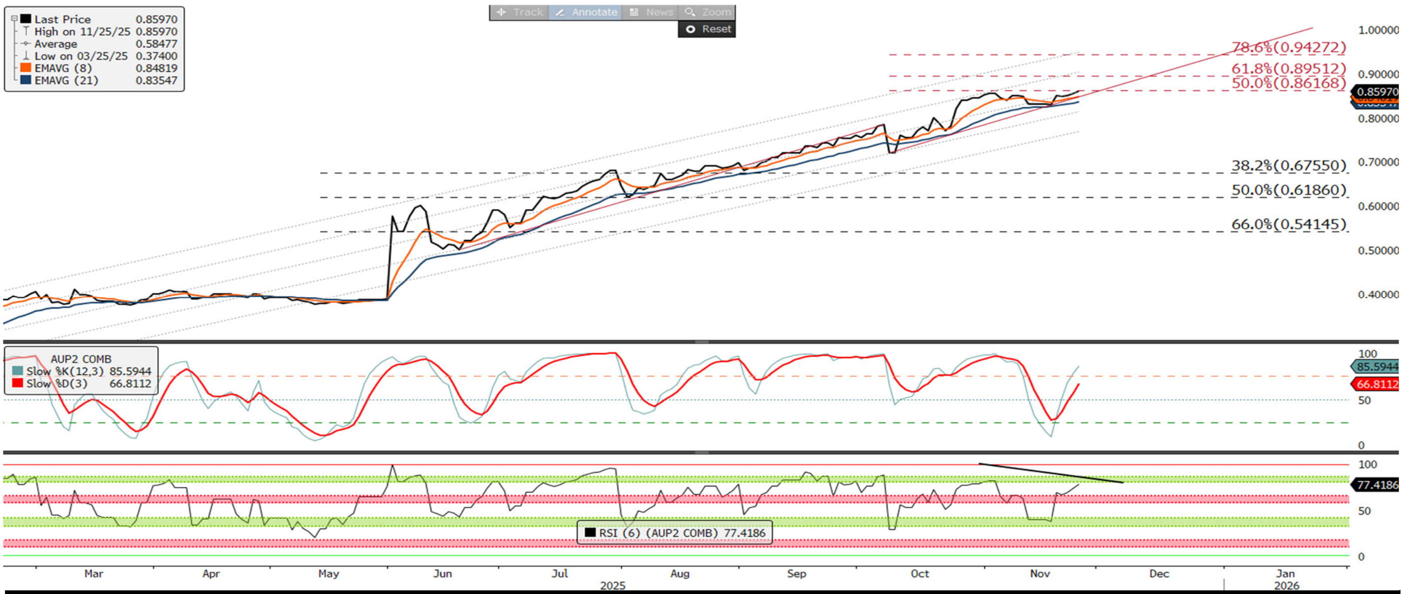
Aluminium Premium Rolling Second Month (DEC) 25



Support		Resistance		Close Price	Bull	Bear
S1	0.8590	R1	0.8616	0.8597	RSI above 50	
S2	0.8288	R2	0.8951			
S3	0.7691	R3	0.9427			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- 6– period RSI is above 50 (77)
- Stochastic is above 50
- Technically bullish but in a corrective phase last week, the RSI was trading in the support band highlighted previously. Price was below the linear regression line (USD 0.8426), we noted that if we held below it and the RSI started closing below 33.5, then it would warn that support levels could come under pressure. Conversely, if the RSI held support and price closed back above the linear regression, then we could expect another test to the upside. We were cautious on higher moves whilst below the linear line.
- The RSI held its support, resulting in price trading to a new high, meaning the futures are just above the rising linear regression line. We are above all key moving averages with the RSI above 50.
- Downside moves that hold at or above USD 0.5414 will support a longer-term bull argument, below this level the technical will have a neutral bias.
- Technically bullish, a new high close yesterday means that the RSI is in divergence with price, whilst the RSI is approaching its upper resistance band (highlighted on chart), warning that the futures are becoming vulnerable to a momentum slowdown. Fibonacci projection levels suggest we have a potential near-term upside target at USD 0.8951 for this phase of the cycle; however, due to the divergence, we now have a note of caution on upside moves at these levels. A close that holds below the linear regression line (USD 0.8590) will imply buyside pressure is decreasing, whilst a move below the USD 0.8250 fractal support will indicate that sell side pressure is increasing. However, Elliott wave analysis does suggest that downside moves should in theory be countertrend within a larger bull cycle, making USD 0.5414 the key longer-term support to follow. The technical indicates caution on moves higher at these levels, as the divergence alongside the RSI resistance warns the futures could potentially enter a corrective phase. Note: Market sellers should be cautious on pullbacks that last between 1—3 days that are followed by a bullish candle, as it will warn that there remains an underlying support in the market.