

Aluminium European Premium Duty-Paid (Jan) 26



Support		Resistance		Close Price	Bull	Bear
S1	310	R1	333	331	RSI above 50	
S2	300	R2	342.5			
S3	286	R3	352			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- 6— period RSI is above 50 (79)
- Stochastic is above 50
- Technically bullish but in a corrective phase last week, the futures had closed on a secondary trend support line (USD 301). A close that held below it would target the USD 285—USD 284 support area. In theory, USD 285 was our key support, below this level the probability of the futures trading to a new high would start to decrease. In reality, we had primary trend support at USD 284; this took precedence over the Fibonacci support. If it was tested but held, then the longer-term trend would remain intact. Failure to hold below the USD 301 level would warn that that the USD 328 Fibonacci resistance could be tested; if rejected, it would indicate that we were looking at a more complex corrective phase. Likewise, if broken we would target the USD 342.5 fractal high. Price was on trend support with the 6-period RSI oversold at 6, momentum was implying that price was starting to look overextended to the downside, leaving price vulnerable to a reactionary move higher in the near-term.
- The futures closed but failed to hold below the secondary trend support last week; with price looking overextended to the downside the futures have seen a reactionary move higher, this has breached the USD 328 Fibonacci resistance highlighted previously. We are above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 286 will support a longer-term bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the upside move above USD 328 indicates that the USD 342.5 fractal high could be tested and broken; if it is, our Fibonacci projection levels suggest that we have a potential upside target for this phase of the cycle at USD 352. The 6-period RSI is now approaching its resistance zone, this needs to be monitored; however, corrective moves that hold at or above USD 310 will signal there is an underlying support in the market, warning resistance levels will remain vulnerable. If USD 310 is broken before trading above the USD 342.5 level, it will signal a more complex corrective phase, making USD 286 the key support to follow. Bullish

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