



# Aluminium Premium

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## Aluminium Premium Rolling 2nd Month (Feb) 26



Support	Resistance	Close Price	Bull	Bear
S1	0.9084	R1	1.014	
S2	0.8709	R2	1.0725	RSI above 50
S3	0.8250	R3	1.130	Stochastic overbought

### Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- 6-period RSI is above 50 (77)
- Stochastic is overbought
- Technically bullish in the last report (Jan 26—Rolling 3 month) with price creating higher highs and higher lows. Fibonacci projection levels suggested that we had a potential upside target at USD 0.9411 for this phase of the cycle; however, we noted that above USD 85.00 price would be in divergence with the RSI. Not a sell signal it warned that we could see a momentum slowdown, this needed to be monitored. Downside moves below USD 0.7600 would mean the technical was bearish based on price, warning the Fibonacci support zone could come under pressure. However, the longer-term Elliott wave cycle was bullish above USD 0.5332, below this level the probability of price trading to a new high would start to decrease. We were bullish but cautious on upside breakouts above USD 85.00, as it will create a second negative divergence with the RSI.
- The Jan futures have traded to a high of USD 0.9600 which was above our upside target of USD 0.9411, resulting in the divergence failing. We have now rolled over to the Feb 26 contract. Price is above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 0.8709 will support a bull argument, below this level the technical will have a neutral bias.
- Bullish with Near-Term Risk—Elliott Wave analysis, supported by Fibonacci projections, suggests a potential upside target at USD 1.1309 for the current phase of the cycle. However, the ongoing advance has already completed a five-wave structure: with the RSI at 77, momentum is approaching its resistance band. This signals that price is becoming vulnerable to a technical pullback. A corrective move that holds above the USD 0.8709 support and subsequently trades to a new high would indicate a lower-timeframe Elliott Wave extension. In this scenario, the currently identified five-wave move would be reclassified as Wave 1 on the higher timeframe, increasing the probability that the USD 1.1309 target will be tested. Conversely, a break below USD 0.8709 would reduce the probability of price achieving a new high and would weaken the broader bullish outlook.