



Aluminium Premium

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Aluminium Premium Rolling 2nd Month (Feb) 26



Support		Resistance		Close Price	Bull	Bear
S1	0.919	R1	1.014			
S2	0.876	R2	1.072	0.98500	RSI above 50	
S3	0.825	R3	1.130			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8 - 21 period EMA's
- 6-period RSI is above 50 (82)
- DMI positive
- Technical outlook on Last report: Bullish with Near-Term Risk. The technical outlook was unchanged previously, with Elliott wave analysis implying we had a potential upside target at USD 1.130 for this phase of the cycle. As highlighted previously, we already had a 5-wave structure in play while the 6-period RSI was at 82, implying momentum was overextended to the upside, leaving price vulnerable to a technical throwback. We identified USD 0.876 as a key support, corrective moves that held this level would indicate lower timeframe buy-side support and warn that the futures could trade to new highs. In this scenario, we would be looking at a bullish Elliott wave extension where 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 would be tested. Conversely, a break below USD 0.876 would reduce the probability of price achieving a new high and would weaken the broader bullish outlook.
- The Feb futures traded to a high of USD 0.9775 with price remaining supported near their highs. We remain above all key moving averages supported by the RSI above 50.
- Downside moves that hold at or above USD 0.8768 will support a bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Cautious bull
- Futures continue to trade near their highs, with the 6-period RSI holding in the upper resistance zone. The ADX reading of 26 indicates that the market has re-entered a trending environment, suggesting that any downside moves should, in theory, be corrective and counter-trend in nature. USD 0.8768 is identified as the key support level to monitor. Corrective throwbacks that hold at or above this level would signal the potential for a bullish Elliott Wave extension, in which case Fibonacci resistance levels would become increasingly vulnerable. Conversely, a decisive break below USD 0.8768 would weaken the near-term bullish structure and imply that price may struggle to achieve new highs. Momentum is consolidating near its highs, and an RSI pullback that holds above the 41-34 support zone would further warn of potential upside continuation.