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(Bloomberg) -- Aluminum advanced after one of the world's biggest smelting facilities closed almost a fifth of capacity, deepening the risk of shortages as the war in the Middle East chokes supplies from the region.

Aluminium Bahrain BSC has started a phased shutdown of three production lines, together accounting for 19% of its total output capacity of 1.6 million tons, the state-owned firm said on Sunday. Alba, as the company is known, is planning to conserve raw materials while shipping through the Strait of Hormuz faces disruptions.

The metal rose as much as 1.6% to hit \$3,494.50 a ton on the London Metal Exchange, before paring gains to trade at \$3,474.50 at 10:35 a.m. Shanghai time.

"The risks from the war are now fully translating into disruptions in the supply chain," said Peng Dinggui, an analyst with Zhongtai Futures Co. "Market sentiment remains bullish on aluminum."

[Read More: Bahrain Starts Output Cuts at World's Top Aluminum Smelter](#)

The Middle East accounts for about 9% of the world's aluminum output, and Alba's cuts add to other reductions that have stoked supply fears and prompted warnings of deepening shortages for manufacturers. Prices on the LME soared to their highest since 2022 late last week.

Like other smelters, Alba has been facing disruptions to outbound shipments of metal and incoming supplies of alumina feedstock due to the shipping standstill at Hormuz. Alba suspended sales to customers earlier this month, while Qatar was forced to halt some aluminum production due to a shortage of natural gas.

Traders are closely monitoring what happens to other major producers in the Middle East. The biggest is Emirates Global Aluminium PJSC, which said in the first few days of the war that it would draw on metal stockpiled in other regions in order to supply customers.

Aluminum has been the biggest gainer among base metals since the US-Israeli war with Iran began on Feb. 28. Other metals have struggled, as soaring energy prices risk hurting the global economy and pulling down demand.

Copper fell 0.5% to \$12,718 a ton on Monday, while zinc, nickel and lead also declined.

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	12,702	R1	12,819	Stochastic oversold	RSI below 50
S2	12,583	R2	12,893		
S3	12,432	R3	13,174		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI is below 50 (38)
- Stochastic is oversold
- Price is below the daily pivot point USD 12,819
- Technical Outlook Friday: sell side pressure increasing.
- The futures had closed below the lower trend support line of the symmetrical triangle, signaling we are in the process of a potential downside breakout. If we held below the support line then we would target the USD 12,583 fractal low, failure to hold the breakout would leave the technical neutral. The rejection of the intraday 200-period MA, alongside the close below trend support indicated an increase in sell side pressure, suggests support was vulnerable.
- The futures remain below the trend support line having sold to a low of USD 12,667. We are below all key moving averages with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 12,819 with the RSI at or above 47 will mean price and momentum are aligned to the buy side. Downside moves that hold at or above USD 11,940 will support a longer-term bull argument, below this level the technical will have a neutral bias.
- Technical Outlook: Bearish breakout—conflicting signals
- The close below the trend support line has bearish connotations going forward. However, the weekly close produced a Doji candlestick, implying indecision; while we have a positive reversal pattern with the RSI on the daily timeframe, suggesting caution on downside moves. Three different signals on three different timeframes. Technically, we are neutral.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,439	R1	3,449.5	RSI above 50	
S2	3,406	R2			
S3	3,361	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (52)
- Stochastic is below 50
- Price is below the daily pivot point USD 3,462
- Technical outlook Friday: Cautious bull
- The futures were selling lower on a negative divergence with the RSI on Friday; however, Fibonacci projection levels suggested we had a potential upside target at USD 3,614 for this phase of the cycle. Corrective moves that held at or above USD 3,361 would indicate that price remained supported, warning of further upside within the cycle. Conversely, if breached, then the probability of price trading to a new high would begin to decrease. With the divergence in play, the technical suggested that caution was warranted on higher moves at that point.
- The futures continue to sell lower on the negative divergence with the RSI. We remain above all key moving averages supported by the RSI above 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,462 with the RSI at or above 63 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 3,361 will support a bull argument, below this level the technical will have a neutral bias.
- Technical outlook: Cautious bull
- The futures continue to sell lower on the negative divergence with the RSI, while the MA on RSI implies that momentum is weakening. However, while above the USD 3,361 level, resistance levels will remain vulnerable; if broken, then the probability of price trading to a new high will begin to decrease. The divergence does suggest caution on upside breakouts above USD 3,546.5, but while above USD 3,361 price remains in bull territory.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,256	R1	3,260	Stochastic oversold	RSI below 50
S2	3,226	R2			
S3	3,176	R3			

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (37)
- Stochastic is oversold
- Price is below the daily pivot point USD 3,293
- Technical outlook Friday. Sell side pressure had increase, Elliott wave analysis was neutral
- Sell-side pressure was on the increase on Friday due to the move below the USD 3,277 support. However, our Elliott wave analysis suggests that the A, B, C, corrective phase had already completed. From a technical perspective, we had a neutral view, as the pullback had been deeper than expected.
- The futures continue to come under pressure with price below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 3,293 with the RSI at or above 46.5 will mean price and momentum are aligned to the buy-side. Upside moves that fail at or below USD 3,341 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical outlook. Neutral
- As noted last week, the corrective phase looked to have completed; however, the pullback below USD 3,277 had been deeper than expected, warning that the probability of the futures trading to a new high was decreasing. We have a daily support line that started on the 13/06/25, current trend support is at USD 3,228, making this a near-term downside target for market sellers. Above this level, we continue to have a cautious approach; A close and hold below it on the daily candle will have bearish implications going forward.