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(Bloomberg) -- Aluminum headed for the biggest monthly gain in nearly two years, as the war in the Middle East disrupted supplies and damaged local production facilities, tightening the global market.

The light-weight metal advanced toward \$3,500 a ton in London, on course for a monthly gain of 10%. That's the most since April 2024, and bucks a broader downtrend for metals in March.

Commodities including base metals have been roiled by the conflict between the US, Israel and Iran. Around a tenth of aluminum's global production is concentrated in the Persian Gulf, with exports choked off by the closure of the Strait of Hormuz. In addition, Iranian drones and missiles have struck plants run by Aluminium Bahrain BSC and Emirates Global Aluminium PJSC.

While both companies have yet to clarify the precise damage to their facilities, there's speculation on the impact and consequences for market balances.

EGA's Al-Taweelah plant, with capacity of 1.6 million tons a year, can be written off for the long term, analyst Bernard Dadhah at Natixis SA wrote in a note. That could flip the market from a supply surplus of 200,000 tons to a deficit of about 1.3 million tons next year, he wrote, warning of a more severe shortfall if the Bahrain plant had also suffered long-term damage.

[Read More: Iran's Attacks on Gulf Aluminum Plants Threaten Supply Crisis](#)

Most other metals were flat to slightly higher on Tuesday after the Wall Street Journal reported that US President Donald Trump told aides he's willing to end the US campaign even if the Strait of Hormuz remained largely closed. Still, copper, zinc and nickel are still heading for monthly declines as the war lifts energy costs and prompts warnings about global economic growth.

The hostilities in the Middle East have had the greatest direct impact on aluminum because of the region's role as a major source of primary metal, nearly all of which is exported. The disruptions have sent premiums soaring in other locations, including Japan, while prompting a pick-up in orders for products from China, which dominates global output.

Three-month aluminum was 1.8% higher at \$3,461.50 a ton on the London Metal Exchange at 10:44 a.m. in Singapore. In other metals, copper was little changed at \$12,242 a ton, down more than 8% in March, and on pace for the biggest monthly loss since June 2022.

# Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	12,164	R1	12,173.5		RSI below 50	
S2	12,078	R2				12,343
S3	11,700	R3				12,395

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- The RSI is at 50 (50)
- Stochastic is above 50
- Price is above the daily pivot point USD 12,164
- Technical Outlook Monday: Bearish breakout—needs to hold below USD 12,251
- The downside breakout on the open yesterday meant price had exited the ascending triangle pattern. However, early bid support means that we were testing the USD 12,251 trend line. A close and hold back above this level would place price back within the ascending triangle, implying neutrality. Conversely, a rejection of the trend line will confirm that sell side pressure was on the increase, warning the USD 11,700 fractal low was becoming vulnerable.
- The futures have moved sideways. We are below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the buyside, as the RSI was above its average on the previous candles close.
- A close on the 4-hour candle below USD 12,164 with the RSI at or below 47 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 12,689 will leave the future vulnerable to further tests to the downside, above this level the corrective phase will enter neutral territory.
- Technical Outlook: Consolidating
- The futures remain in a corrective phase with price consolidating below the trend resistance at USD 12,343. Technically, the trend break suggested that we should have seen some form of bearish follow through, which at this point we have not. A close below the low of the bull support candle on the open yesterday at USD 12,021 would imply sell side pressure is increasing, warning the USD 11,700 fractal low could be tested and broken. Conversely, a close back above the resistance line would warn of underlying support in the market; however, the move is still considered as corrective while below the USD 12,689 resistance, and neutral above.

# Aluminium Morning Technical (4-hour)



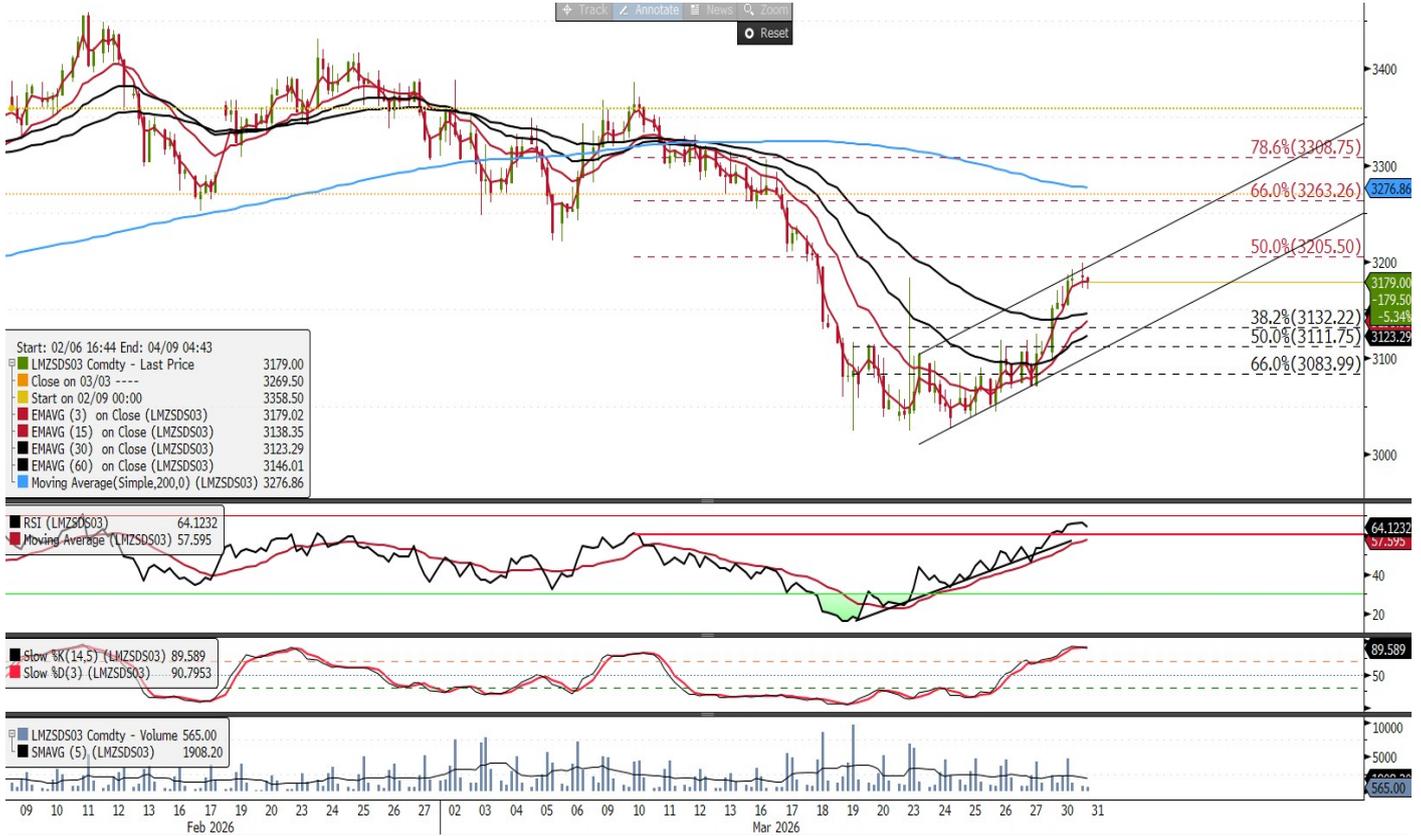
	Support	Resistance	Current Price	Bull	Bear
S1	3,437	R1	3,546	RSI above 50	Stochastic overbought
S2	3,347	R2	3,682		
S3	3,303	R3	3,837		

**Synopsis - Intraday**

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (69)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,437
- Technical outlook Monday: Buy-side pressure increasing.
- The upside move above the USD 3,399 resistance yesterday meant that the probability of the futures trading to a new low had begun to decrease, warning the USD 3,546 fractal high was vulnerable. The gap higher had put the RSI above its resistance zone while the RSI moving average implied momentum was supported, suggesting support levels should hold if tested.
- The futures sold to an intraday low of USD 3,375 before finding bid support. We remain above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,437 with the RSI at or below 58.5 would mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 3,243 will support a bull argument, below this level the futures will have re-entered bearish territory.
- Technical outlook: Supported
- The futures remain supported with the move above USD 3,399 previously suggesting that the probability of price trading to a new low has begun to decrease. However, we will have a note of caution on intraday moves above USD 3,492, as the RSI has the potential to be divergent with price. If it is, then it will warn that we could see a momentum slow-down. Conversely, if the RSI makes a new high alongside price, then we target the USD 3,546.5 fractal high.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,157	R1 3,193	3,179	RSI above 50	Stochastic overbought
S2	3,132	R2 3,205			
S3	3,111	R3 3,263			

## Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (63)
- Stochastic is overbought
- Price is above the daily pivot point USD 3,157
- Technical outlook Monday: Upside moves considered as countertrend
- The Upside move on the open yesterday meant that the RSI was testing resistance, while our Elliott wave analysis suggested that upside moves should be considered as countertrend. As highlighted previously, market longs should be cautious if price and momentum became aligned to the sell side, as it would leave support levels vulnerable. Conversely, a close below the low of the last dominant bull candle at USD 3,098 would signal an increase in sell-side pressure. Key resistance remained unchanged at USD 3,263, as a move above this level would reduce the probability of price trading to a new low.
- The futures have see another small move higher, price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 3,157 with the RSI at or below 55.5 will mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 3,263 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technical outlook. Channel resistance, caution on higher moves.
- The RSI has moved above its resistance; however, the futures are testing upper channel resistance, meaning we are cautious on upside moves in the near-term. A close and hold above the resistance line at USD 3,193 will signal an increase in buy-side pressure. Conversely, if price and momentum become aligned to the sell side it will warn that support levels could be tested.