



Aluminium Technical Report

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Synopsis

This technical is looking at Aluminium on different timeframes (Weekly, daily, intraday, and point and figure). Our analysis is based on our interpretation of multiple timeframe Elliott wave cycles, alongside standard technical analysis.

The Technical is based purely on price and not fundamental analysis, it highlights the longer-term bull structure of the market.

Note: the technical needs to be in conjunction with the fundamental, we are in a very unusual situation with the straight of Hormuz being closed.

From a purely technical perspective: The broader trend remains bullish with downside moves considered as countertrend. Multiple timeframe divergences imply caution on higher moves in the near-term, suggesting price is becoming vulnerable to a technical pullback on the higher timeframe.

Although key longer-term support is at USD 2,770; we identify the lower channel support at USD 3,095 as an area that is likely to attract buying interest if tested.

Aluminium Weekly Elliott Wave



	Support	Resistance	Current Price	Bull	Bear
S1	3,151	R1	3,600	RSI above 50	Stochastic overbought
S2	3,095	R2	3,775		
S3	2,989	R3	3,915		

Synopsis

Source Bloomberg

- Price is above the 200—50 period SMA's
- RSI is above 50 (73)
- Stochastic is overbought
- The futures remain in a bullish trending environment with price above all key moving averages supported by the RSI above 50.
- We remain in a higher timeframe Elliott wave 3 within this phase of cycle, meaning downside moves should be considered as countertrend at this point. The futures are currently testing the upper channel resistance at USD 3,600 while the RSI is divergent with price. Although not a sell signal, it is a warning that the technical is becoming vulnerable to a countertrend move lower.
- Key longer-term support is at USD 2,770, throwbacks that breach this level will reduce the probability of price trading to a new high. This would increase the probability of the higher timeframe bullish wave cycle failing. Although we highlight USD 2,770 as the key longer-term support in terms of the Elliott wave cycle, we note that the lower channel support at USD 3,095 is likely to attract buying interest if tested.
- For upside continuation, price is going to need to close and hold above the upper resistance line with the divergence failing.
- Caution on moves higher moves in the near-term.

Aluminium Daily Technical



	Support	Resistance	Current Price	Bull	Bear	
S1	3,407	R1	3,600.5	RSI above 50	Stochastic overbought	
S2	3,325	R2				3,859
S3	3,214	R3				3,994

Source Bloomberg

Synopsis - Intraday

- Price is above the 200—50 period SMA's
- The RSI above 50 (60)
- Stochastic is overbought
- The futures are in a bullish trending environment with price above all key moving averages supported by the RSI above 50.
- Key takeaways on the technical.
- We look to be on an Elliott wave 5 of an extended wave 3
- The RSI is divergent with price, implying caution on higher moves.
- Volume is also divergent, warning the current move higher lacks intensity.
- Corrections that hold at or above USD 3,214 will warn that the Elliott wave cycle is becoming vulnerable to further bull- ish extensions.
- The RSI and volume divergence indicate caution on upside moves in the near-term.

Aluminium Intraday Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,459	R1	3,603	RSI above 50	
S2	3,419	R2			
S3	3,393	R3			

Source Bloomberg

Synopsis - Intraday

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is above 50
- The intraday technical remains supported at this point; however, price is starting to consolidate. We are above all key moving averages with the RSI above 50.
- The recent pullback has been on a negative divergence with the RSI, we note that the RSI is now starting to find resistance at the 60 level, warning momentum is potentially readying for a move lower.
- With the divergence in play, we are cautious on upside breakouts to new highs.

Point And Figure



Synopsis - Intraday

Source Bloomberg

- The market profile chart does not have a time axis, it is based purely on price. We are using a 3-box reversal system with a USD 25 box size.
- This chart is objective, not subjective.
- Price is above a bullish trend line, while above the trend support only bullish breakouts are considered as valid. Price will need to trade below USD 3,350 for the trend support to be broken.
- The last breakout was to the downside, but the trend support has not yet been tested.
- If the futures trade above USD 3,675 you will have a triple top breakout. This will have bullish implications.
- The point and figure chart differs from the first three charts, as they all signal caution on upside breakouts. It could be that price could spike on short covering on an upside breakout, but fail to hold due to the divergence.
- The alternative is that we do not see an upside breakout at this point.