

Aluminium futures: Buy at ₹249, stop loss at ₹245

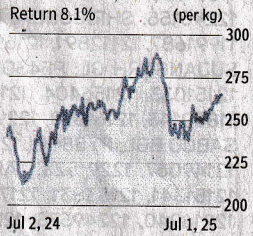
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Aluminium futures appreciated 5.2 per cent in June as it ended at ₹248.80/kg on June 30. They have been moving up over the last couple of sessions and is now approaching ₹250.

COMMODITY CALL.

The price action shows that the contract has formed a higher base at ₹246. Also, the trend has been up since early May, and the price is well above both the 21- and 50-day moving averages. The nearest resistance from the current level is at ₹256.

Given the above factors, it is highly likely that aluminium will see an upswing to ₹256 soon. A breakout of this can lift the contract further to ₹260.



On the other hand, in case there is a decline from the current level and the support at ₹246 is breached, the futures can find immediate support at ₹244, where the 21-day moving average and a trendline support coincides.

A break below ₹244 can turn the near-term outlook bearish in which case, aluminium futures can drop to ₹238 and ₹235.

TRADE STRATEGY

Buy aluminium futures (July) at ₹249 and place the initial stop-loss at ₹245. Book profits at ₹256.

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