

Aluminium futures: Go long now at ₹223

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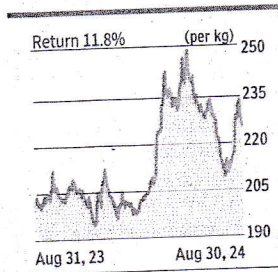
Aluminium futures (September series) on the Multi Commodity Exchange (MCX) has been on a decline over the past week. It faced a resistance at ₹234 and fell off this level.

COMMODITY CALL

The September contract is now hovering around ₹223, where both the 20- and 50-day moving average lies.

In addition, ₹222 is a good support, where a rising trendline also coincides. Therefore, a decline below ₹222 is less likely.

In case aluminium futures rebound from this level, it can move up to ₹240, a potential resistance. Subsequent resistance is at ₹250.



On the other hand, if the contract slips below ₹222, it might establish another leg of downtrend, which can drag the contract to ₹210, a support. Next support is at ₹190.

TRADING STRATEGY

Participants can buy aluminium futures now at ₹223 and place a stop-loss at ₹218.

When the contract rises above ₹230, revise the stop-loss to ₹226.

Tighten the stop-loss further to ₹230 when the price hits ₹235. Book profits at ₹240.