

Buy aluminium on dips to ₹271 with stop-loss at ₹265

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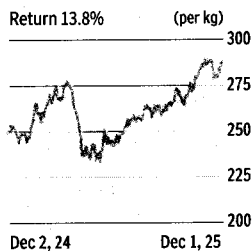
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Aluminium futures, currently trading at ₹276 (per kg), bounced off the support at ₹265 about a couple of weeks ago. The broader trend is bullish and the prevailing price action hints at further appreciation.

COMMODITY CALL.

That said, the contract has its nearest resistance at ₹280. A breakout of ₹280 could potentially lead to a rally to ₹285, a barrier. But before reaching these levels, aluminium futures might see a decline from the current level, possibly in the ₹270-271 price band.

If it extends the decline and slips below ₹265, the near-term outlook could turn bearish. In such a case,



aluminium futures could drop to ₹256, a support. Subsequent support is at ₹250.

Overall, from the current level of ₹276, we expect aluminium futures to dip to ₹270-271 and then rally to ₹280. The uptrend might extend to ₹285.

TRADE STRATEGY

Traders can buy aluminium futures when the price dips to ₹271. Place a stop-loss at ₹265. When the contract rises to ₹280, revise the stop-loss to ₹275. Book profits at ₹285.