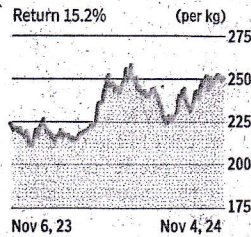


Buy aluminium now at ₹241, add longs



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Aluminium futures on the Multi Commodity Exchange (MCX) witnessed a sideways movement through October. Particularly in the second half of the month, the contract was tracing a narrow horizontal trend.

The November expiry aluminium futures has been stuck within the price band of ₹238-244 since mid-October.

There is also a broader range of ₹234-246 within which the contract has been oscillating for little over a month.

Ideally, the next leg of trend depends on along which direction aluminium futures comes out of the range of ₹234-246.

But note that the trend prior to the current consolidation phase has been bullish, which began in August last year. A breakout of ₹246 can lift the contract to ₹255.

However, if aluminium futures break below the support at ₹234, the outlook can turn bearish. In such a scenario, the contract can drop to ₹220, a notable support.

TRADE STRATEGY

Buy aluminium futures now at ₹241 and add longs if the price dips to ₹236. Place initial stop-loss at ₹232. When the contract breaks out of ₹246, trail the stop-loss to ₹242. Book profits at ₹250.