

Aluminium showing bearish tendencies

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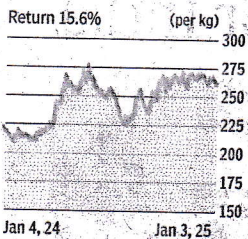
Aluminium futures has largely been maintaining a sideways trend since early November. But the recent price action is showing some bearish indication. The January futures, which was oscillating between ₹241 and ₹247 since early November, slipped below the support at ₹241 by mid-December.

COMMODITY CALL

An attempt to recover was arrested at ₹243 last week. Both 20- and 50-day moving averages coincide at ₹243, making it a strong barrier.

As it stands, the chance for a decline looks high. A breach of ₹227 can intensify the sell-off, potentially leading to a fall to ₹210.

On the other hand, if aluminium futures recover



from the current level and break out of ₹243, it can face a hurdle at ₹247. A breakout of ₹247 can turn the outlook positive which can trigger a rally to ₹300. But as it stands, the price action appears weak for aluminium futures and the likelihood for a fall is high.

Short aluminium futures at ₹238 and add shorts on a rise to ₹243. Place initial stop-loss at ₹248.

When the contract slips to ₹232, revise the stop-loss to ₹235. On a fall to ₹230, tighten the stop-loss further to ₹233. Book profits at ₹227.

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