

Buy aluminium if it breaks out of ₹256

Akhil Nallamuthu
bl. research bureau

Aluminium futures have been on an uptrend since the beginning of this week.

While it is now trading at ₹254/kg, the contract faced resistance at ₹256, and it fell off this level on Thursday.

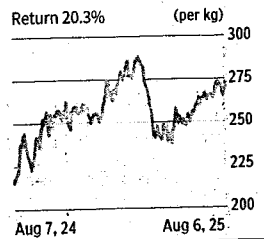
COMMODITY CALL.

For aluminium futures to establish another leg of uptrend, the contract should break out of ₹256.

In such a case, it could rally to ₹265, a potential resistance. Subsequent barrier is at ₹268.

On the other hand, if the contract drops from the current level, it could find support at ₹252, where the 21-day moving average and a rising trendline coincides.

Just below is a notable support at ₹250.



If the contract breaches the support at ₹250, the near-term outlook might turn bearish.

This could potentially lead to a decline to ₹242.

That said, the trend remains bullish as of now.

Nevertheless, the resistance at ₹256 should be breached for another upswing in price.

TRADE STRATEGY

Buy aluminium futures (August) if it breaks out of ₹256. Target and stop-loss can be ₹268 and ₹250, respectively.