

# Aluminium futures: Go long, stop-loss at ₹202

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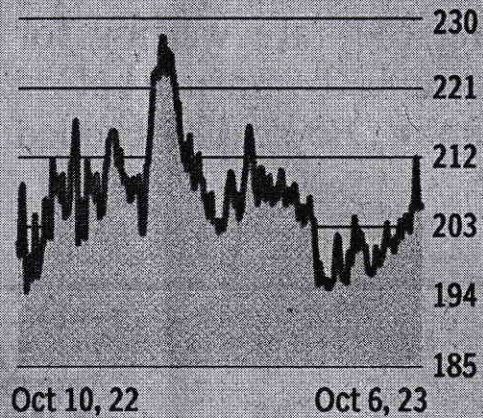
Aluminium futures on the Multi Commodity Exchange (MCX) lost 2.9 per cent last week as it closed at ₹205.75 on Friday. This was in line with our expectations. That said, further decline from the current level is less likely since ₹206 is a strong support. The 20-day moving average currently lies at ₹205.60, denoting that the region around ₹206 is a support. The trend will turn bearish only if the contract decisively falls below ₹204. Therefore, the price band of ₹204-206 can be viewed as a support band.

## COMMODITY CALL.

We anticipate a recovery in the upcoming sessions where aluminium futures could appreciate to ₹215, a

Return 2.4%

₹ per kg



resistance. Subsequent barrier is at ₹225. On the other hand, support below ₹204 can be seen at ₹200 and ₹195.

### TRADE STRATEGY

When aluminium futures was trading at around ₹210 last week, we suggested waiting for the price to decline to ₹206 before initiating fresh long positions.

Traders can now go long as the contract has seen a dip. Place stop-loss at ₹202. When the contract rallies to ₹212, tighten the stop-loss to ₹208. Book profits at ₹215.