

Buy aluminium futures at ₹264 with stop-loss at ₹256

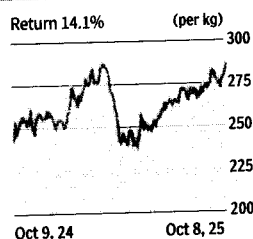
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Aluminium futures, currently trading at ₹265 per kg, have been on an uptrend since May. The latest leg of upswing began early this month and the prevailing price action hints at further appreciation from the current level.

COMMODITY CALL.

The contract has now surpassed a barrier at ₹264, indicating that the bull trend retains good momentum.

That said, there is a chance for aluminium futures to see a corrective decline, which could possibly drag the contract to the ₹262-263 price band. But then, the contract is expected to resume the rally, which is likely to take it to the ₹280-282 price region. A breakout of ₹282 will open



the door for a rally to ₹300.

On the other hand, if aluminium futures slip below the ₹262, the downswing will most likely extend to ₹258 where the contract is likely to find a trendline support.

Only a breach of ₹258 will turn the outlook bearish.

Overall, from the current level of ₹265, aluminium futures could drop to ₹263 and then begin the rally towards ₹280.

TRADE STRATEGY

Buy aluminium futures (September) at ₹264. Target and stop-loss can be at ₹280 and ₹256, respectively.