

Wait for a dip and buy aluminium futures

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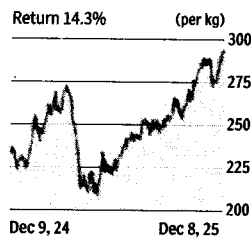
Aluminium futures, which have been rallying for nearly three weeks, appear to have lost momentum. The December futures, currently trading at ₹277 per kg, have a barrier ahead at ₹280.

COMMODITY CALL.

Considering the current price action, there is a good chance for aluminium futures to see a drop in price. While the broader trend may not turn bearish, the contract is likely to see a temporary blip.

From the current level, aluminium futures might dip to the ₹271-270 price band. A recovery on the back of this could lift it to ₹280 and then to ₹285, potential resistance levels.

That said, if the contract



breaches the support at ₹270, it could witness a deeper decline to ₹265. Nearest support levels below ₹265 are at ₹256 and ₹250.

Overall, from the current level of ₹277, we expect aluminium futures to dip to ₹271-270 and then see a rally to ₹280. The uptrend might extend to ₹285.

TRADE STRATEGY

Traders can buy aluminium futures on dips at ₹271. Place a stop-loss at ₹265. When the contract rises to ₹280, revise the stop-loss to ₹275. Book profits at ₹285.

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