

Short aluminium futures if price rises to ₹320

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Aluminium futures, currently trading around ₹311 a kg, have largely been oscillating between ₹300 and ₹320 since the beginning of this month.

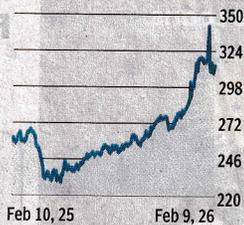
COMMODITY

CALL.

The contract, after hitting a record high of ₹361.25, faced some selling pressure towards the end of last month. While the trend has not turned bearish, the bulls have certainly lost steam. Also, the sell-off on January 29 and 30 hints at bears gaining some traction.

However, as mentioned earlier, aluminium futures are now stuck between the support at ₹300 and resistance at ₹320. Only a breach of either of these levels can confirm the direction of the

Return 20.2% ₹ per kg



next leg of trend.

A breakout of ₹320 could lift the contract to ₹340. But if it slips below the support at ₹300, the downswing could extend to ₹280, where it could meet a notable trendline support.

So, traders will be better off by avoiding fresh trade at the current market price.

TRADE STRATEGY

Traders with high risk tolerance could short aluminium futures if the price rises to ₹320. Target and stop-loss can be ₹300 and ₹328, respectively.