

Aluminium: Retain longs, widen stop-loss to ₹200

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Aluminium futures on the Multi Commodity Exchange (MCX) closed at ₹203.05 last Friday, declining for the second week in a row.

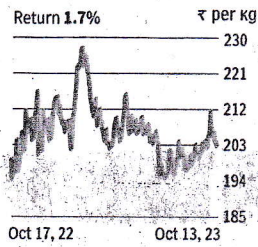
The contract has a support band in the ₹200-202 range. It will restrict the contract from experiencing further fall from the current levels.

COMMODITY CALL.

Going ahead, there is a good chance that the bulls will gain traction and push the prices up. While ₹206 can be a hurdle, aluminium futures could surpass this level and reach ₹215 in the coming weeks.

TRADE STRATEGY

However, a breach of the



support at ₹200 can result in a sharp fall. Notable support below ₹200 can be spotted at ₹195 and ₹192. The charts indicate that prices of aluminium futures will rise.

Last week, we recommended initiating long positions at ₹206 and we advised to place stop-loss at ₹202.

Traders can retain the longs but widen the stop-loss to ₹200 to accommodate for the recent price action. When the contract rallies to ₹212, tighten the stop-loss to ₹208. Book profits at ₹215.