

# Aluminium futures: Retain long position at ₹264

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Aluminium futures hit a seven-month high of ₹268.20 (per kg) October 9 before moderating to the current level of ₹262.

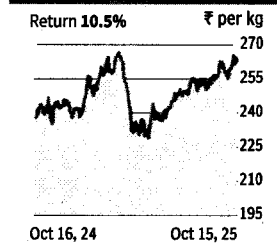
## COMMODITY CALL.

Nevertheless, the trend has not turned bearish whereas the contract has been largely sideways over the past few days.

### THE OUTLOOK

From the current level, there is a chance for aluminium futures to moderate further. The nearest support is at ₹260, where the 21-day moving average and a rising trendline coincides. This being a good base can restrict the downside.

So, after reaching ₹260, aluminium futures can resume the rally again and head



towards ₹280, a potential resistance.

On the other hand, in case the bears gain traction and drag the contract below ₹260, it will open the door for a fall, probably to ₹256. Notable support below ₹256 is at ₹249.

That said, since the support at ₹260 is valid now, the inclination is bullish, and we expect aluminium futures to strengthen.

### TRADE STRATEGY

Last week, we suggested buying aluminium futures at ₹264. Retain this trade with a stop-loss at ₹256.

Book profits at ₹280.