

Aluminium: Go long at ₹306, stop-loss at ₹300

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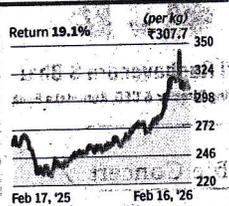
Aluminium futures is now quoted at ₹307 (per kg). The contract has not been trending since the beginning of the month.

COMMODITY CALL.

After witnessing very high volatility in the second half of January, the bulls and the bears appear to be negotiating, and there has not been a real winner yet.

Since early February, aluminium has largely been consolidating between ₹302 and ₹318. Only a clear break of this sideways band will give us cues about the direction of next price swing.

That said, currently trading at ₹307, the contract is hovering near the lower



boundary of the range. The 50-day moving average also lies at ₹307.

So, even though aluminium remains within a band, the likelihood of the contract rising on the back of the above-mentioned support is high. It could retest ₹318. So, traders could consider buying.

TRADE STRATEGY

Traders with high risk tolerance can buy aluminium futures at ₹306. Target and stop-loss can be ₹318 and ₹300 respectively.