

Retain long positions in aluminum futures

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The price of aluminium futures has largely held within the range of ₹203-210 since early March. This follows a considerable fall in the preceding month. Thus, the selling momentum has clearly faded and the contract is now attempting to establish an uptrend.

COMMODITY CALL.

Substantiating the bulls, the support at ₹200 holds true. We expect aluminium futures to gradually pick up momentum and move upwards.

Currently trading at ₹208, we might see a breach of the upper end of the range at ₹210. Once this hurdle is taken out, we might see a quick rally towards the price band of

MCX Aluminium

Return -22.6%

₹ per kg



₹225-230.

On the other hand, if the contract declines from the current level and slips below support at ₹200, the chances for another leg of decline is high.

Support below ₹200 is at ₹192 and ₹186.

TRADE STRATEGY

We suggested going long at ₹206 with stop-loss at ₹200 three weeks back. Hold this trade as the support while ₹200 stays true.

When the contract rallies above ₹215, modify the stop-loss to ₹210. Book profits at ₹228.