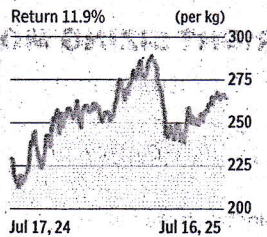


Aluminium: Consider adding longs if price dips to ₹247



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Aluminium futures, over the past month, have remained flat. Currently trading at ₹248/kg, it has been oscillating between ₹246 and ₹251 since mid-July.

That said, the overall bias appears positive. Till the support at ₹246 and ₹244, where the 50-day moving average coincides, stays valid, the bulls will have an edge over the bears. There is a good chance for aluminium futures to break out of ₹251. This could trigger a quick rally to ₹260. Potential resistance above this is at ₹266.

On the other hand, if the contract falls and invalidates the support at ₹251 and ₹244, the outlook could turn weak. Consequently, it could decline to ₹236.

Nevertheless, as it stands, the broader trend remains bullish and the probability of the breakout of ₹251 is high.

TRADE STRATEGY

We had earlier suggested buying aluminium futures at ₹249. Retain this trade and consider adding longs in case the price dips to ₹247. Maintain the stop-loss at ₹243.

When the contract rises to ₹253, revise the stop-loss to ₹251. Tighten the stop-loss further to ₹254 and ₹256 when the price touches ₹256 and ₹258 respectively. Book profits at ₹260.