

+ Short aluminium at ₹204 with stop-loss at ₹207

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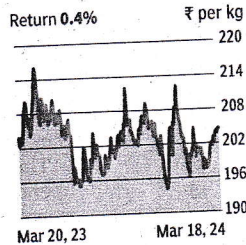
Aluminium futures on the Multi Commodity Exchange (MCX) has been hovering around ₹204 over the past week. The price band of ₹204-205 has been acting as a strong barrier and the bulls are finding it hard to break

COMMODITY CALL.

above this.

Prolonged consolidation at the current level can increase the chances for a fall. If such a move occurs, aluminium futures can decline to retest the support at ₹198. A break below this level can lead to the contract witnessing an extension of downtrend to ₹192.

On the other hand, if aluminium futures manages to break out of ₹205, it can see a quick rally to ₹212. A rally past



₹212 can turn the medium-term trend bullish. Nearest notable resistance above ₹212 is at ₹226.

TRADING STRATEGY

Traders with higher risk appetite can short aluminium futures now at ₹204 with a stop-loss at ₹207. When the contract touches ₹202, revise the stop-loss down to ₹204. When the contract slips below ₹200, revise the target further lower to ₹202. Book profits at ₹198. If the contract decisively breaches ₹205, initiate longs. Target and stop-loss can be at ₹212 and ₹202, respectively.