

Retain longs in aluminium

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Aluminium futures (₹384/kg) are on a steady uptrend and the recent breakout adds further strength to the bulls.

The May contract broke out of the resistance at ₹380 last Wednesday, opening the door for further rally.

COMMODITY

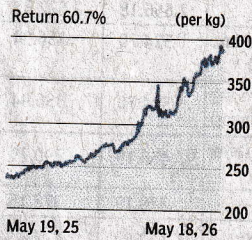
CALL.

While it moderated from the high of ₹387.20, the price action shows that the bulls are regaining traction and the price sustains above ₹380, which henceforth can act as a support.

We expect aluminium futures to establish another leg of rally from the current level, which could lift it to ₹400.

If this level is breached, the contract could rise to ₹420.

However, if there is a decline, aluminium futures



could find support at ₹373, where the 21-day moving average currently lies. Subsequent support is the price band of ₹350-360.

Nevertheless, the prevailing price action shows no sign of a bearish reversal, and traders can stay on the long side of the trade.

TRADE STRATEGY

Last week, we had suggested buying aluminium futures when it breaks out of ₹380. Participants who bought the contract based on this can retain the trade.

Maintain target and stop-loss at ₹400 and ₹370, respectively.