

# Buy aluminium at current level of ₹198, add on dips

**Akhil Nallamuthu**

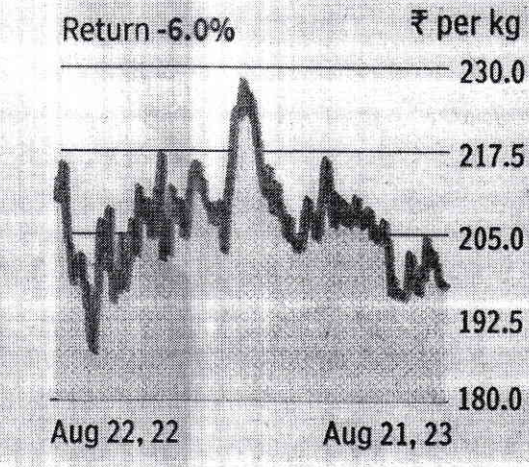
bl. research bureau

Aluminium futures on the Multi Commodity Exchange (MCX), which has been on a decline since February, began to consolidate towards the end of June. Since then, it has been oscillating between ₹196 and ₹204.

## COMMODITY CALL.

We can get some cues on the next leg of trend based on the direction of the break of the above-mentioned range. Currently trading at around ₹198, it is hovering near the bottom of the range.

If the contract bounces off the range bottom, it can retest the range top of ₹204 in the coming days. A rally past ₹204 can turn the trend bullish, where the contract might rise to ₹215. On the other hand, if the contract slips below support at ₹196,



the trend can turn bearish. In such a case, the contract can initially drop to ₹186. The downswing could even extend to ₹180.

## TRADE STRATEGY

As the aluminium futures is trading near the range bottom, the risk-reward is favourable for long positions. Hence, traders can buy the futures at the current level of ₹198. Add more longs in case the price dips to ₹196. Place a stop-loss at ₹194.

When the contract crosses ₹200, tighten the stop-loss to ₹197. Book profits at ₹204.