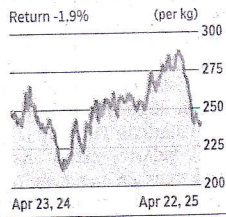


# Traders can stay out of aluminium futures

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Aluminium futures, which saw a sharp decline in the second half of March, have been largely stable since the beginning of April, closing at ₹231.45/kg on Tuesday.

While there has not been a bullish reversal in trend, the contract has been trading between a key support at ₹230 and a resistance at ₹238 for the past three weeks.

If bulls can gain traction and manage to lift aluminium futures above the resistance at ₹238, the short-term outlook can turn positive.

In such a case, the price could rise to ₹248 and then possibly to ₹256. A rally past ₹256 could turn the medium-term trend positive.

On the other hand, if the contract slips below the support at ₹230, the bears could regain momentum.

In such a scenario, we could see another leg of downtrend.

Supports below ₹230 that could arrest the decline are at ₹218 and ₹208.

So, broadly considering the prevailing price action, the next leg of the trend depends on the direction of the break of the ₹230-238 range.

## TRADING STRATEGY

Since there is some uncertainty with respect to the direction of the next price swing, we suggest that traders stay out.