

Short aluminium futures if they fall below ₹304

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Aluminium futures (February) are now trading at ₹307 (per kg). While the contract has largely been consolidating since the beginning of the month, there is a bearish bias in the price movement over the past week.

COMMODITY

CALL.

For further analysis, we shall consider March futures as the February contract is nearing its expiry date.

Since the first week of February, aluminium futures (March) (currently at ₹312) have been oscillating between ₹304 and ₹322. But in the past week, the price movement has been concentrated towards the lower end of the boundary. The trading range has been in the narrow ₹308-₹315 region.



That said, the support at ₹304 is a challenge for the bears. A breach of this level could pave the way for a decline to ₹290, with the next support at ₹285.

On the other hand, if the contract rebounds from the current level of ₹312 and surpasses ₹315, it could retest ₹322. A clear breakout of ₹322 could potentially lift the contract to ₹340.

TRADE STRATEGY

Short aluminium futures (March) if they fall below the support at ₹304. Target and stop-loss can be ₹290 and ₹310, respectively.