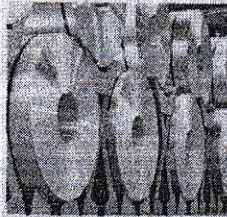


Aluminium: Book profits, go long if futures top ₹215

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The continuous futures contract of aluminium on the Multi Commodity Exchange (MCX) was charting a sideways trend since March and until last week. It broke out of the ₹203-210 range last Tuesday, turning bullish.



COMMODITY CALL.

However, the contract could not extend the upswing beyond the resistance at ₹215 and the price has now moderated to ₹212. As long as the resistance-turned-support at ₹210 holds true, the bias will be bullish. If the contract can regain traction and goes above ₹215, we can see a quick rally to ₹225-230 price band.

But if the contract falls below ₹210, it might start to consolidate again within the

₹203-210 levels. But note that a breach of ₹200-203 price band can turn the outlook bearish. Nearest support below ₹200 is at ₹192.

TRADE STRATEGY

We recommended long positions at ₹206 with stop-loss at ₹200. Consider booking profits at the current level of ₹212 as the contract is yet to invalidate the resistance at ₹215. Fresh longs can be considered after aluminium futures break out of ₹215. Target and stop-loss for this can be placed at ₹225 and ₹208.