

# Retain shorts in aluminium

**Akhil Nallamuthu**  
bl. research bureau

Aluminium futures (September series) on the Multi Commodity Exchange (MCX) has been charting a sideways trend over the past few sessions.

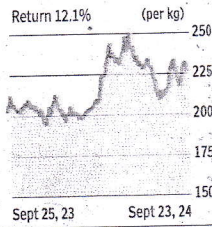
## COMMODITY CALL.

The chart shows that the contract is facing a stiff resistance at ₹234. This is the barrier which capped the rally that began at ₹218 two weeks ago.

In order to establish another leg of rally, aluminium futures ought to break out of ₹234.

If such a move occurs, the contract can rise to ₹242. Resistance above ₹242 is at ₹250.

On the other hand, if aluminium futures decline from the current level of ₹229, it



can retest the support at ₹217. A breach of this can lead to the downswing extending to ₹210.

## TRADING STRATEGY

Last week, we suggested initiating short on aluminium futures at ₹232 with a stop-loss at ₹238. Retain this position.

Going ahead, when the contract drops to ₹225, revise the stop-loss to ₹230. Exit at ₹220.

If neither target nor stop-loss mentioned above is triggered before the expiry i.e., September 30, exit the position on the expiry day.