

Aluminium: Go long at ₹257 with stop-loss at ₹252

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The trend has been bullish for aluminium futures since August last year.

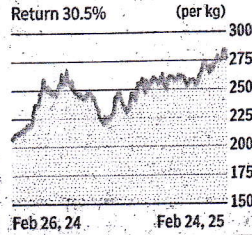
The contract established an uptrend on the back of the support at ₹208.

COMMODITY CALL

After some consolidation in November and December last year, aluminium futures began their latest leg of uptrend in January, broke out of the barrier at ₹248 and went on to mark a high of ₹266.75 last week.

But now, the price has moderated, and the contract closed at ₹258.10 on Monday.

However, the broader uptrend remains true, and the near-term outlook will change only if the contract slips below the potential



support at ₹256. From the current level, we expect aluminium futures to touch ₹270.

In case the contract slips below the support at ₹256, it can extend the decline to ₹248.

A breach of this can trigger a fall to ₹236.

TRADE STRATEGY

Go long on aluminium futures (March) at ₹257 and place a stop-loss at ₹252. Book profits at ₹270.

After initiating the trade, when aluminium futures rise to ₹265, trail the stop-loss to ₹260.