

# Aluminium: Go long if price drops to ₹250

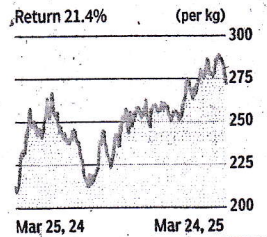
**Akhil Nallamuthu**  
bl Research Bureau

The price of aluminium has been falling over the past two weeks. The continuous contract marked a high of ₹268.35/kg on March 12 before starting to decline. On Monday, it closed at ₹254.10.

## COMMODITY CALL.

The price action hints that the bears possess good momentum. Also, there are no signs of a bullish trend reversal. This keeps the probability of further fall high.

The nearest notable support from the current level is the price band of ₹248-₹250. If this base fails to arrest the decline, we can see the futures extending the fall to ₹232. A breach of ₹232 could turn the medium-term trend bearish. However, if it recovers from the ₹248-250 price



region, it could rally to ₹270, a resistance. Above this, ₹290 is a notable barrier. As it stands, the uptrend has not been negated. So, there is a good chance for the futures to resume the rally, but after witnessing a fall to the ₹248-₹250 price band.

## TRADE STRATEGY

Refrain from taking new positions now. But if the price drops to ₹250, traders could consider April series for trading (avoid March series as expiry is nearing), by going long on aluminium. Target and stop-loss can be ₹270 and ₹242 respectively.

CA-CA