

Retain short positions in aluminium futures

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Aluminium futures on the Multi Commodity Exchange (MCX), which faced a resistance at ₹204 on July 14, fell in the subsequent sessions.

COMMODITY CALL.

On Monday, the contract marked a low of ₹194.45 and has now rebounded to the current level of ₹198.

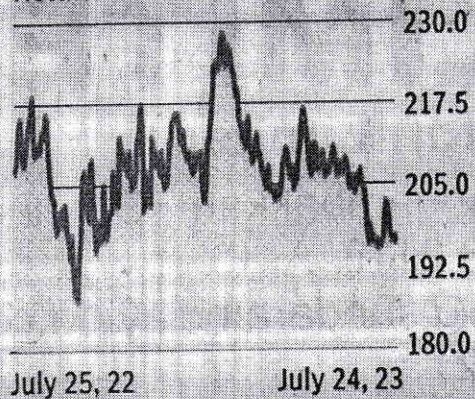
Thus, the support at ₹195 prevented a decline beyond that level.

However, the broader trend remains bearish and for the short-term, the price action suggests that aluminium futures could stay in the ₹195-202 range.

A breakout of ₹202 can potentially turn the trend bullish where the contract could rally to ₹208 or even to ₹215.

Return -5.4%

₹ per kg



On the other hand, if aluminum futures fall below the support at ₹195, it might fall to ₹182, a support.

TRADE STRATEGY

Last week, we recommended initiating fresh short positions at ₹200 with stop-loss at ₹205 for a target of ₹182. Retain this position.

Nevertheless, since the odds for a sideways trend are increasing, we suggest some adjustment to this trade.

Revise the target and stop-loss to ₹195 and ₹202 respectively.