

# + Go long on aluminium at ₹198 with stop-loss at ₹190

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Aluminium futures on the Multi Commodity Exchange (MCX) saw a fall in price over the past week from the resistance at ₹202, and is now hovering at ₹198.

The chart of the continuous aluminium futures shows that ₹192-194 is a support band.

Also, the price action since June last year shows that it has largely been oscillating between ₹192 and ₹210.

So the next leg of trend depends on the direction of the break of the ₹192-210 price band.

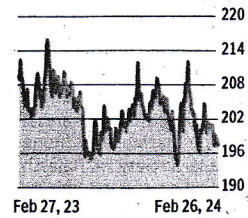
That said, since aluminium futures is trading near the bottom end of the range, the probability of a rally is high.

In the near term, aluminium futures could appreciate to ₹210. Resistance above ₹210 are at ₹218 and ₹226.

## MCX Aluminium

Return -5.6%

₹ per kg



On the other hand, if the contract slips below ₹192, we could see a fall to ₹186 or even ₹178, which are notable support levels.

### TRADE STRATEGY

Last week, we suggested going short on aluminium February futures at ₹196. Liquidate this at the current level of ₹198.

Then, one can go long on March futures at around ₹198 and on a dip to ₹196. Place stop-loss at ₹190.

When the contract touches ₹204, tighten the stop-loss to ₹199. Book profits at ₹210.