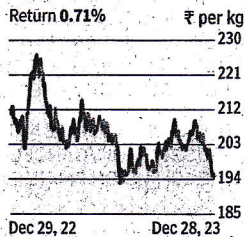


**COMMODITY  
CALL.****Accumulate  
aluminium longs  
on declines****Gurumurthy K**

bl. research bureau



Aluminium prices have been rising well since the middle of December. Although there was a correction in prices last week, the strong rise on Friday last week had ended that. The aluminium futures contract (January) on the Multi Commodity Exchange (MCX) is currently trading at ₹212 per kg. The contract has surged about 8 per cent over the last couple of weeks.

The outlook is bullish. Strong support is now in the ₹210-209 region. Intermediate dips are likely to be short-lived. Strong buyers are likely to enter in the ₹210-209 region and limit the downside.

As long as the contract trades above this support zone, the rising trend will continue. MCX aluminium futures can rise to ₹219-220 over the next couple of weeks.

But from the price action on the charts, the momentum appears strong. As such, we see a high chance for the contract to sustain above the ₹210-209 support zone.

**TRADE STRATEGY**

Traders can go long now. Accumulate on dips at ₹210. Keep the stop-loss at ₹207. Trail the stop-loss up to ₹213 as soon as the contract moves up to ₹215. Move the stop-loss further up to ₹216 when the contract touches ₹218. Exit the long positions at ₹219.