

# Buy aluminium at ₹238 with stop-loss at ₹234

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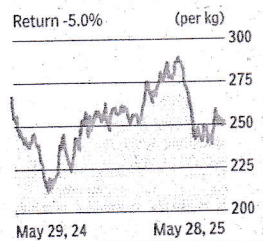
Aluminium futures have been consolidating for over a week. The June expiry contract is currently trading at ₹238/kg and has been oscillating between ₹236 and ₹241 in recent sessions.

## COMMODITY CALL.

The price action shows that aluminium futures have formed a good base at ₹236. The chart also shows that the contract has already formed a base at a lower level of ₹228 in April, which indicates that there has been a formation of higher lows, a positive sign.

The 21-day moving average coincides at ₹236, making it a strong support. Therefore, a decline below this level is less likely.

Broadly, we expect aluminium futures to start a



fresh rally soon or extend the sideways session for some more time. Once the rally begins, the contract can reach up to ₹248, a resistance where the 50 per cent Fibonacci retracement of the prior fall coincides. A breakout of ₹248 can lead to another uptick to ₹256.

But if it slips below the support at ₹236, it can see a deeper fall, potentially to the ₹230-228 support band.

## TRADE STRATEGY

Buy aluminium futures (June) at ₹238 with a stop-loss at ₹234.

Book profits at ₹248.