

Retain longs in aluminium with stop-loss at ₹194

Akhil Nallamuthu

bl. research bureau

Aluminium futures on the Multi Commodity Exchange (MCX) has been charting a sideways trend since June. That is, the contract has been fluctuating between ₹196 and ₹204.

So, until the contract breaches either end of the price band, the next leg of trend will remain uncertain.

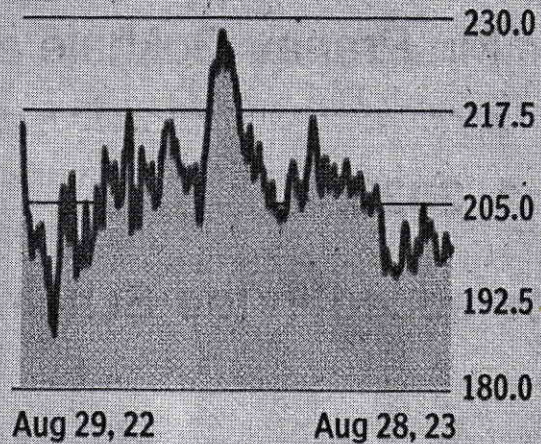
COMMODITY CALL.

If aluminium futures breaks out of ₹204, the short-term trend can turn bullish, and the contract can initially rally to ₹215.

On the other hand, if the price slips below the support at ₹196, the contract

Return -7.6%

₹ per kg



will likely witness a down-trend. In such a case, the contract could initially drop to ₹186. The down-swing could even extend to ₹180.

TRADE STRATEGY

We recommended fresh longs at ₹198 last week. Retain this trade with stop-loss at ₹194. That said, add more longs in case the price dips to ₹196.

When the contract rallies above ₹200, tighten the stop-loss to ₹197. Book profits at ₹204.