

COMMODITY CALL.

Buy copper
at ₹892,
accumulate
at ₹885

Akhil Nallamuthu

bl. research bureau

Copper futures (continuous contract) hit a 12-week high of ₹896.80 per kg on June 26. But then it moderated and is currently hovering around ₹892.

The chart shows that the upswing that took the contract to ₹896.80 resulted in the breakout of a key resistance at ₹885, opening the door for further rally.

So, even if there is some price correction, it is not likely to extend beyond the support at ₹885.

We expect copper futures to rally either from the current level or after the price softens to ₹885.

Once the up move begins, the contract can soon touch ₹930, a potential resistance. Post this move, there might be a decline.

But if the contract drops from the current level of ₹892 and breaches the support at ₹885, there is another support at ₹875, which can arrest the decline.

However, a breach of ₹875 can turn the outlook bearish. Nearest support below ₹875 is at ₹862.

Nevertheless, as it stands, the likelihood of a rally is high.

TRADE STRATEGY

Buy copper futures (July) at ₹892 and accumulate at ₹885. Place stop-loss at ₹870.

When the contract rises to ₹910, tighten the stop-loss to ₹880. Book profits at ₹930.