

+ Go long in copper if futures close above ₹1,432

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Copper (Oct) futures has been trading in a range for about two months now. While in August it was oscillating within ₹1,375 and ₹1,410, since the beginning of September, the range has expanded to ₹1,360-1,432.

COMMODITY CALL.

Given the prevailing price action, October futures can establish the next leg of trend only if it moves out of the ₹1,360-1,432 range.

In case the contract breaks out of ₹1,432, it can move up to ₹1,480. Resistance above ₹1,480 is at ₹1,500. Instead, if copper futures breaches the support at ₹1,360, it could fall to ₹1,300.

Nevertheless, the contract retains some bullish bias as the price is above both the 21- and 50-day moving averages. Also, since the trend



prior to the sideways movement has been bullish and the support at ₹1,360 stays valid, the likelihood of a break-out of ₹1,432 is comparatively higher than the copper futures slipping below ₹1,360.

However, as it stands, until the breakout of ₹1,432, we suggest traders stay out.

TRADE STRATEGY

Go long on copper (Oct) futures if it witnesses a daily close above ₹1,432.

Place the initial stop-loss at ₹1,400. When the contract rises to ₹1,460, tighten the stop-loss to ₹1,440. Book profits at ₹1,480.