

Go long on zinc again, buy at current levels

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Zinc futures on the Multi Commodity Exchange (MCX) found support at ₹212 last week and made a recovery. On Monday, it broke out of a resistance at ₹222, which opened the door for further upside.

COMMODITY CALL.

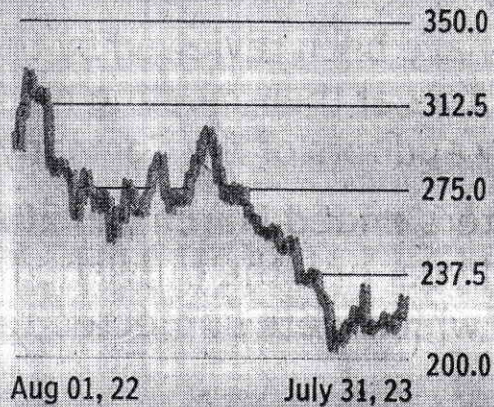
Substantiating the bullish bias, the 20-day moving average (DMA) of August futures has crossed over the 50-DMA before a few sessions and the RSI and MACD on the daily chart shows good positive momentum.

We expect zinc futures to appreciate to ₹245, a support, in the short term. Resistance above ₹245 is at ₹252.

On the other hand, if the contract falls from here, it

Return -23.8%

₹ per kg



can find support at ₹222 and ₹216. We recommended buying zinc futures a few weeks back at an average price of ₹213. The target of ₹222 was hit this week.

Since the breakout has increased the probability of further rally, we suggest going long again on zinc futures.

That is, buy at the current level of ₹226 and add more longs in case the price slips to ₹222. Place stop-loss at ₹215 at first.

When the contract touches ₹235, tighten the stop-loss to ₹230. Book profits at ₹242.