

# Use dips to go long in zinc futures, stop loss at ₹278

## COMMODITY CALL.

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The zinc futures on the Multi Commodity Exchange (MCX), after marking a high of ₹304.55 last week, have seen a price correction. The nearest contract i.e., February expiry is currently trading at ₹290, testing a support.

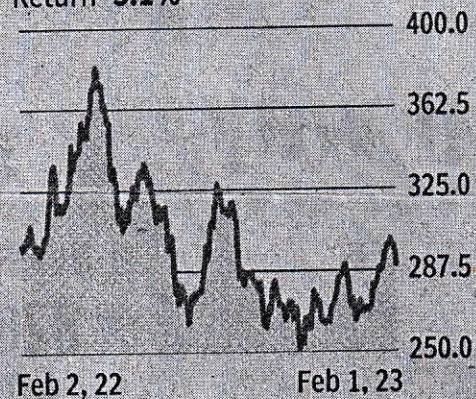
We expect the price region of ₹286-290 to hold true and the bulls are likely to take advantage of it. The contract will most likely rebound from the current level. On the upside, it could touch ₹325 in two to three months.

That said, in case the support at ₹286 is decisively breached, the contract might drop to the support at ₹275, where the lower boundary of a rising channel is likely to coincide. A breach of ₹275 can shift the outlook bearish and we could see more fall, prob-

### MCX Zinc

Return -3.1%

₹ per kg



ably to ₹262 at first and then possibly to ₹250. Nevertheless, for the short-term, traders can stay bullish on the back of the support at ₹286.

Last week, we recommended buying zinc futures at an average price of ₹295 with stop-loss at ₹278. Hold these positions. One can also consider going long now at around ₹290 if you have not bought earlier with the same stop-loss of ₹278.

Move the stop-loss up to ₹292 when the contract rallies past ₹310. Further, when the contract rises to ₹320, tighten the stop-loss further ₹310. Exit the longs at ₹325.