

Buy copper futures if prices drop to ₹722

COMMODITY CALL.

Akhil Nallamuthu

bl. research bureau

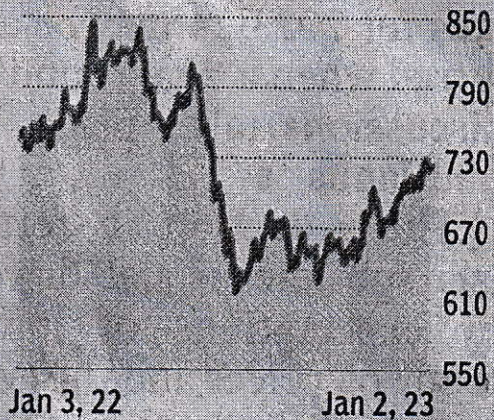
Copper futures (continuous contract), which have been on a rally since the final week of September, marked a six-month high of ₹751.1 last week. Since then, it has seen a fall and is now trading at around ₹727.

Copper futures are lacking momentum on either side. The RSI and the MACD on the daily chart are flat, indicating the same. Moreover, the cumulative Open Interest (OI) of copper futures on the MCX dropped sharply to 5,044 contracts on December 31 compared to 7,095 contracts on December 23.

During this period, the price witnessed a marginal drop, which means a part of

Return -3.2%

₹ per kg



longs is being unwound. Overall, at this juncture, there is no push on either side.

That said, since the price region of ₹720-722 is a good support and the trend has been bullish over the past three months, one can risk by going long. Support below ₹720 is at ₹700.

TRADE STRATEGY

Stay out for now and buy when the price drops to ₹722. Place stop-loss at ₹716. Exit at the prior high which the January contract made last week. Book profits at ₹738.