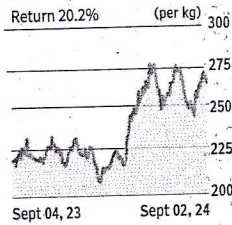


## Retain longs in zinc futures

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Zinc futures on the Multi Commodity Exchange (MCX) appreciated nearly 6 per cent in August. But, the chart shows that the contract faced a resistance at ₹272 towards the end of last month.

The price fell off the hurdle at ₹272 last week and the September expiry zinc futures closed at ₹264.8 on Monday. Despite the correction, the broader trend remains positive. Consequently, the chances for a recovery are high.

Going ahead, we anticipate a recovery from the current level of ₹264. Zinc futures is likely to surpass ₹272 and touch ₹282 this month.

However, if the contract falls from the current level of ₹264 and slips below the nearest support at ₹260, the near-term outlook can turn weak. In such a case, the price of zinc futures can drop to ₹252 and then possibly to ₹240.

Nevertheless, as it stands, zinc futures (September) is likely to rally from the current level of ₹264 and touch ₹282.

### TRADE STRATEGY

Retain the longs we suggested last week at an average price of ₹268. Since there is a support at ₹260, we suggest revising the stop-loss from ₹262 to ₹259.

When the price hits ₹274, revise the stop-loss to ₹269. Tighten the stop-loss further to ₹277 when the contract reaches ₹280. Book profits at ₹282.