

# Copper futures: Avoid taking fresh positions

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Copper futures have seen higher than usual volatility since early last week. It is now being quoted at ₹1,290 per kg.



## COMMODITY

### CALL.

Last week, it broke out of a resistance at ₹1,340 and marked a record high of ₹1,480.30. But the rally could not sustain where the contract immediately fell. On Monday, it slipped to a six-week low of ₹1,156 before recovering to the current level of ₹1,290.

At the current juncture, there is a lack of clarity in the path of the next swing in price. In case copper rallies, it will face resistance at ₹1,340. A breakout of this can lift the price to ₹1,450.

On the other hand, if the contract falls, it can find support at ₹1,200. A breach of this can turn the outlook bearish where the price might decline to ₹1,135, where there is a trendline support.

### TRADE STRATEGY

Given the uncertainty, traders can avoid taking fresh positions. That said, traders with high risk appetite can short copper futures if it inches up to ₹1,330. Target and stop-loss can be ₹1,215 and ₹1,380 respectively.

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