

# Copper: Go long at ₹875, peg stop-loss at ₹850

**Akhil Nallamuthu**  
bl. research bureau

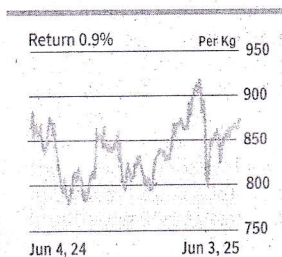
Copper futures gained 1.7 per cent so far this week and are currently hovering around ₹875/kg. The price action is turning positive and the likelihood of further rally from the current level is high.

## COMMODITY CALL.

The June expiry futures, after struggling to breakout of ₹868 for over a month, saw a daily close above this barrier on Tuesday as they ended the session at ₹871.60.

The rebound has come on the back of ₹862, where both 21 and 50-day moving averages coincide. The volume so far this week has also been good, substantiating the bullishness. Therefore, from the current level, we can expect copper to rise to ₹910 and ₹930.

On the other hand, if the contract declines from the



current level, the price band of ₹868-855 can act as a support. A breach of ₹855 can intensify the sell, potentially dragging copper futures quickly to ₹825, a support. Subsequent support is at ₹800. Broadly, as it stands, the probability of a rally is higher and so, traders can consider fresh long positions.

### TRADE STRATEGY

Go long on copper at ₹875 and buy on a dip to ₹865. Place stop-loss at ₹850. When it rises to ₹910, revise the stop-loss to ₹890. On a rally to ₹920, tighten the stop-loss to ₹905. Book profits at ₹930.

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