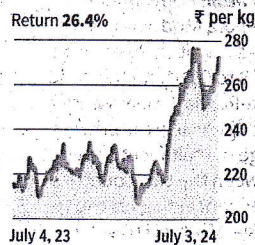


COMMODITY CALL.

Buy zinc and revise the stop-loss to ₹258

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Zinc futures (July contract) on the Multi Commodity Exchange (MCX) stopped the downswing a month ago on the back of support at ₹250. After moving sideways for some time, the contract started to appreciate.

On Wednesday, it closed at ₹272.80. Given the current momentum, there is a good chance for zinc futures to extend the rally, probably to ₹300 in the near-term.

But in case it makes a U-turn and falls, it can find its first support between ₹260 and ₹263. A clear breach of ₹260 can open the door for further downside to ₹250, an important base.

If zinc futures break below ₹250, the near-term outlook can turn bearish. In such a case, the contract can moderate to ₹230, a support.

TRADE STRATEGY

We suggested buying zinc futures (July series) at ₹265 last week. Retain the trade but revise the stop-loss up to ₹258 from earlier recommended ₹248.

When the contract surpasses ₹275, raise the stop-loss to ₹268. Tighten the stop-loss further to ₹278 when the price hits ₹285. Book profits at ₹295.