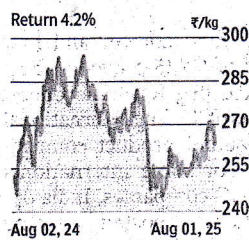


Zinc: Retain long position at ₹265, stop loss at ₹259



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Zinc futures depreciated 2.2 per cent last week and ended at ₹262/kg on Friday. They are currently hovering around ₹263. Important support points are at ₹262 and ₹260.

The 21-day moving average and a trendline support falls within ₹260-262 range, making it a good base. Bulls can capitalise on this and trigger an uptrend. A rally from the current level can take zinc to ₹272, a potential resistance. A breakout of this can lift the contract to ₹278.

If the contract breaches the support at ₹260, it can decline to ₹254. Support below ₹254 is at ₹246 and ₹243. That said, the chart shows that zinc is likely to bottom out around ₹260 and begin a fresh leg of rally.

TRADE STRATEGY

We had recommended long on zinc at an average price of ₹265. Retain the trade and maintain the stop-loss at ₹259. Alter the stop-loss to ₹269 when the price touches ₹271. Tighten the stop-loss to ₹272 and ₹274 when it rises to ₹274 and ₹276. Book profits at ₹278.