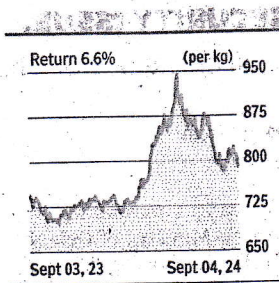


Go long on copper at ₹780 with stop-loss at ₹768

Akhil Nallamuthu
bl. research bureau



Copper futures on the Multi Commodity Exchange (MCX) fell off the resistance at ₹820 last week. It dropped below the support at ₹800 and closed at ₹785.35 on Tuesday.

While the inclination appears bearish, the copper futures (September) has a support at ₹774. The bears are likely to drag the price below this level to establish another downtrend. If the support at ₹774 is breached, the contract can decline to ₹740-750, a strong base. Subsequent support is at ₹720.

But if there is a recovery from the current level, the copper futures will again face a barrier at ₹820. Only a breakout beyond this can turn the outlook positive.

If the contract crosses ₹820, it can rise to ₹840 quickly. The rally may even extend to ₹875.

TRADE STRATEGY

Traders with high risk appetite can consider going long at ₹780 with a tight stop-loss at ₹768. When the price touches ₹800, revise the stop-loss to ₹788. Exit at ₹820.

If the support at ₹774 is breached, the above stop-loss would be hit. Participants can then consider fresh short positions with initial stop-loss at ₹786. When the price declines to ₹760, alter the stop-loss to ₹770. Book profits at ₹750.