

Zinc futures: Go long when price moderates to ₹300

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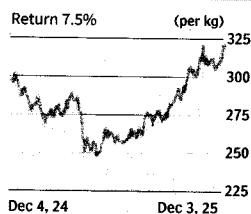
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Zinc futures, currently trading at ₹309/kg, have been rallying since last week. Early this week, it broke out of a resistance at ₹305. On Thursday, the contract (December expiry) marked a high of ₹310.70.

COMMODITY CALL

Given the prevailing price action, the overall trend is bullish. However, note that ₹310 is a potential resistance. While this may not turn the trend bearish, zinc might witness a temporary fall in price, possibly to ₹300. The price band of ₹298-300 is a support.

After the potential decline, the futures is likely to



resume the rally. On the upside, the contract could touch ₹325. A break-out of this could lift the contract to ₹340. If the futures decline and breach the support at ₹298, it could extend the downswing to ₹280.

Overall, as it stands, we expect zinc to see a dip to ₹300 and then a rally to ₹325.

TRADE STRATEGY

Go long on zinc futures (December) when the price moderates to ₹300. Target and stop-loss can be ₹325 and ₹295, respectively.

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