

Short zinc futures at ₹258, stop-loss at ₹266

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Zinc futures has been on a decline over the past week. The June contract on the Multi Commodity Exchange (MCX), after facing resistance at ₹280, started to fall and closed at ₹261.6 on Tuesday.

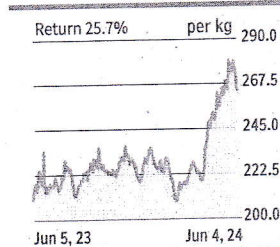
COMMODITY CALL

The nearest notable support is at ₹245, where the 50 per cent Fibonacci retracement of the recent rally lies.

So, we forecast zinc futures to moderate to this price level. A breach of this can extend the downswing to ₹238.

On the other hand, if zinc futures appreciate from the current level, it is likely to face a barrier at ₹265.

A rally past ₹265 can



bring back the positive bias, potentially leading to an upswing to ₹280 or even beyond.

However, there is little likelihood of zinc futures moving above ₹265. So, participants can consider short-term sell trade at the current levels.

TRADE STRATEGY

Short zinc futures now at ₹258 and add shorts in case the contract inches up to ₹262. Place stop-loss at ₹266.

When the contract falls below ₹250, tighten the stop-loss to ₹256. Book profits at ₹245.