

Go long on zinc now and accumulate on dips

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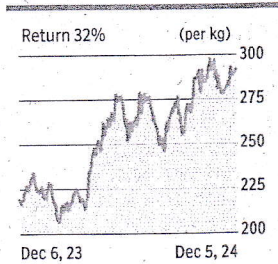
Zinc price has been inching up slowly over the last three weeks. The zinc futures contract on the MCX has risen over 6 per cent from around ₹271 per kg in the last three weeks. It is currently trading at ₹289.

COMMODITY CALL.

The bounce from the mid-November low of ₹270.4 has happened from near the 100-Day Moving Average support.

This rise has taken the contract well above a key intermediate resistance level of ₹282. Support is in the ₹283-₹282 region. The next resistance is around ₹291.

The chances are high for the contract to break this resistance in the coming days. Such a break can take



the contract up to ₹305 in the coming weeks. To negate this rise, the contract has to fall below ₹281. If that happens, the outlook will turn negative and a fall to ₹275-₹273 can be seen.

TRADE STRATEGY

Traders can go long now at ₹289. Accumulate on dips at ₹284. Keep the stop-loss at ₹278. Trail the stop-loss up to ₹291 as soon as the contract moves up to ₹294. Move the stop-loss further up to ₹295 when the contract touches ₹298. Exit the long positions at ₹302.