

Copper: Go short below ₹712.50, stop-loss at ₹718

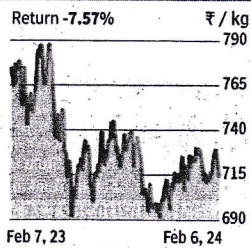
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Copper prices have been falling since the beginning of this month. The copper futures contract traded on the MCX has declined about 2 per cent from its high of around ₹732 per kg. It is now trading at ₹717 per kg. The recent fall proceeded from just below a key long-term trendline resistance.

COMMODITY CALL.

That leaves the outlook bearish for the MCX copper futures contract. Immediate support is at ₹712.50. Whether the contract sustains above this support or not will determine the next leg of move for the short-term.

A bounce from this support can take the copper futures contract up to ₹721. A



further rise above ₹721 could be difficult. A break below ₹712.50 will increase the downside pressure. Such a break can drag the contract down to ₹700-695 initially. We project the copper futures contract to sustain below ₹721 and fall to ₹695-685 in the coming weeks.

Traders can go short on a break below ₹712.50. Keep stop-loss at ₹718. Trail the stop-loss down to ₹709 as soon as the contract falls to ₹706. Move the stop-loss further down to ₹704 when the contract touches ₹701. Exit the shorts at ₹698.