

Zinc futures: Traders can consider long positions

Akhil Nallamuthu

bl. research bureau

Zinc futures — November expiry — on the Multi Commodity Exchange (MCX) broke out of the ₹219-230 range last week by closing at ₹223.6 on Friday. This has increased the odds of prices going up further.

COMMODITY CALL.

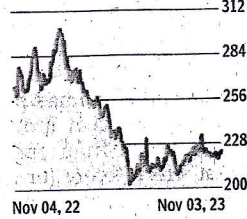
According to the daily chart, the nearest resistance is ₹230. Just above this is another hurdle at ₹234. Hence, the price band of ₹230-234 can block the bulls from lifting zinc futures beyond these levels. Resistance above ₹234 is at ₹240.

But if the contract falls from the current level, it

MCX Zinc

Return -15.7%

₹ / kg



could find support at ₹223. The 20-day moving average support lies at ₹221. Support below ₹221 is at ₹219. That said, the likelihood of the contract falling below ₹221 this week is low.

Broadly, the inclination will be bullish for zinc futures and so traders can consider long positions.

TRADE STRATEGY

Buy zinc futures at the current level of ₹224. Target and stop-loss can be at ₹230 and ₹221 respectively.