

# Zinc near support level

**Akhil Nallamuthu**

bl. research bureau

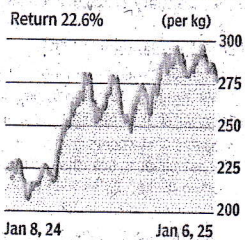
Zinc futures have been on a decline for nearly a month. But it is now approaching a base that has the potential to arrest the fall.

## COMMODITY CALL

The January contract, after marking a high of ₹293.6, has dropped to ₹273. It is now heading towards support at ₹270, which has been holding true since September.

So, there is a good chance for zinc futures to bottom out soon. An upswing from the current level can lift it back to the resistance at ₹293.

A breakout of ₹293 can add more upside momentum, potentially taking the contract to ₹315 or to



₹340. On the other hand, if zinc futures see a decline and breach the support at ₹270, the short-term trend can turn bearish.

In such a case, the price can slip to ₹250, a support. Subsequent support is at ₹220.

### TRADE STRATEGY

Last week, we recommended buying zinc futures at ₹278. Retain this trade with a stop-loss at ₹268.

When the contract rises to ₹288, revise the stop-loss to ₹282. Book profits at ₹293.

CM  
YK