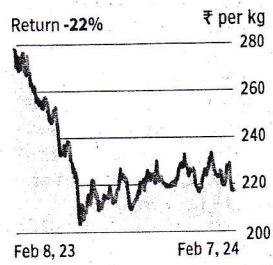


# Go short in zinc with stop-loss at ₹222



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Zinc prices have been falling over the past week. The zinc futures contract on the Multi Commodity Exchange (MCX) has tumbled about 5 per cent from around ₹228 per kg last week to ₹217 per kg.

The fall to ₹220, projected in this column earlier, has happened. Indeed, the MCX zinc contract has declined well below ₹220. The outlook remains bearish.

The region between ₹219 and ₹221 will act as a strong support.

As long as the contract trades below this support zone, the outlook will remain negative. The zinc futures contract can fall to ₹213 and even ₹210 in the coming weeks.

We expect the zinc futures contract to trade below ₹221 and fall further in the short-term.

## TRADE STRATEGY

Traders can go short now. Accumulate on a rise at ₹219. Keep a stop-loss at ₹222. Trail the stop-loss down to ₹215 as soon as the contract moves down to ₹213.

Move the stop-loss further down to ₹213 when the price touches ₹211.50. Exit the short positions at ₹210.