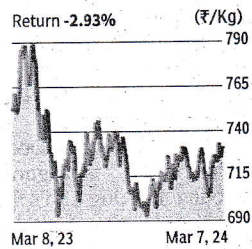


Copper: Go long, add on declines at ₹726 and ₹722

Gurumurthy K

bl. research bureau



Copper prices have risen well since mid-February. The copper futures contract traded on the Multi Commodity Exchange (MCX) fell to a low of ₹699.50 per kg in February. From there the prices have risen sharply. It is now trading at ₹731.

The price action on the charts indicate that the long-term downtrend is getting broken. Strong support is in the ₹725-715 region. Clusters of moving averages are also poised in this region. That makes the ₹725-715 support very strong, and it would be difficult for the contract to break below it.

We expect the contract to rise to ₹740-745 in the next few weeks. Such a rise will strengthen the bullish picture. It will then keep the doors open for the copper futures contract to target ₹770-780 in the medium-term over the next few months.

TRADING STRATEGY

Traders can go long now at ₹731. Accumulate on dips at ₹726 and ₹722. Keep the stop-loss at ₹718 initially. Trail the stop-loss up to ₹734 as soon as the contract moves up to ₹737.

Move the stop-loss further up to ₹739 when the price touches ₹742. Exit the long positions at ₹745.