

Zinc: Go long now at ₹348

Gurumurthy K

bl. research bureau

Zinc prices have been moving up well over the last one week.

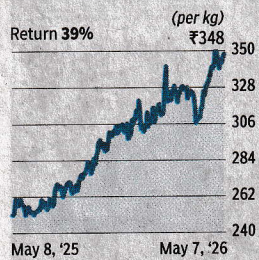
The zinc futures contract traded on the MCX has risen back well after making a low of ₹338.20 per kg last Wednesday.

COMMODITY CALL.

The contract has risen above 3 per cent since and is now at ₹348.

The rise in the past week keeps the broader uptrend intact. The 21-day moving average (DMA) is giving good support for the contract. This 21-DMA support is currently at ₹342. Resistance is in the ₹350-₹355 region.

A strong break above ₹355 could boost the bullish momentum. Such a break could trigger a fresh rise to ₹375-₹380 in the coming weeks.



The short-term outlook will turn negative only if the contract breaks below the 21-DMA support. Such a break could drag it down to ₹335-₹330. But this fall is less likely.

TRADE STRATEGY

Traders can go long now at ₹348. Accumulate on dips at ₹344. Keep the stop-loss at ₹337.

Trail the stop-loss up to ₹351 as soon as the contract goes up to ₹355.

Revise the stop-loss higher to ₹356 and ₹359 when the contract touches ₹358 and ₹361, respectively. Exit longs at ₹365.