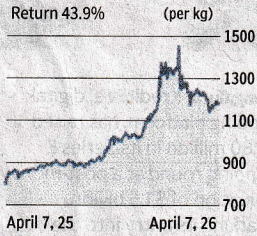


COMMODITY CALL.

Copper futures:
Go long at ₹1,184,
stop-loss at ₹1,140



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Copper futures, which have been in a sideways trend recently, broke out of a barrier in early trade on Wednesday. This has opened the door for a further rally.

The April contract, now trading at ₹1,184 (per kg), was charting a sideways trend in the narrow range of ₹1,140-1,170. A breakout of the upper boundary is a bullish signal.

Substantiating the bullish bias, the price has now risen above the 21-day moving average, and the contract has breached a trendline resistance. So, in the near-term, we can expect copper futures to surpass the potential hurdle at ₹1,200 and move up to ₹1,250.

On the other hand, if copper futures falls from the current level, it can find support at ₹1,140. A breach of this can turn the outlook weak and drag the contract to ₹1,100. However, as it stands, the probability for a rally is high.

TRADE STRATEGY

Last week, we suggested going short on copper futures (April) at ₹1,180 with a stop-loss at ₹1,215 for a target of ₹1,070. Exit this trade now as the outlook has turned positive.

Buy copper futures (April) now at ₹1,184. Target and stop-loss can be ₹1,250 and ₹1,140 respectively.