

# Zinc futures: Go short at ₹277, stop loss at ₹281

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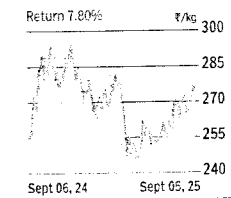
Zinc futures have been on an uptrend since early May. The September contract is currently trading at ₹277/kg. Although the trend is bullish, the chart shows that zinc is now approaching a resistance.

## COMMODITY CALL.

Currently, the contract is hovering near the upper boundary of the rising channel (at ₹277), within which it has been trading since May. The nearest barrier above this is at ₹278 and ₹280. Therefore, the price band of ₹277-280 is a supply zone.

If zinc falls from here, it can decline to ₹270, a support. Subsequent support is at ₹265, where the contract might meet the lower boundary of the rising channel.

As the price action contin-



ues to remain within this channel, the broader uptrend stays unbroken. So, the potential price drop from the current level is likely to be only a corrective move.

If zinc extends the rally from the current level and breaks out of ₹280, it will open the door to further rise to ₹290 and ₹300. Overall, the bull trend is yet to be invalidated but the chances of a corrective fall in price are high at the moment.

### TRADE STRATEGY

Short zinc futures (September) now at ₹277. Target and stop-loss can be ₹270 and ₹281, respectively.

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