

Copper futures: Go long when price dips to ₹825

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Copper futures on the MCX, which have been in an uptrend since early September, had been consolidating in a price band over the past few sessions.



COMMODITY CALL

But on Tuesday, it slipped below a support at ₹850. The price action denotes considerable selling pressure and so, the chance for further drop is high. From the current level, copper futures is likely to drop to ₹825. However, the broader uptrend will be valid so long as the price remains above ₹825.

Going ahead, copper futures can decline to ₹825, rebound from this support and then rise again to ₹865.

On the other hand, if the contract breaks the support

at ₹825, the near-term outlook can turn bearish. Support levels below ₹825 are at ₹810 and ₹790.

Although the probability of the downswing extending is high, the risk-reward ratio is unfavourable for fresh short positions.

Also, copper futures has a support at ₹825, which can help the bulls to regain traction. Therefore, traders can stay out now and go long when the price dips to ₹825. Stop-loss can be at ₹805.

When the price rises to ₹850 after the trade is initiated, revise the stop-loss to ₹835. Book profits at ₹865.