

Buy copper if futures dip to ₹985



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Copper futures, currently trading at ₹1,000 (per kg), have appreciated nearly 5 per cent so far in October. The outlook remains positive.

The contract broke out of a key resistance at ₹985 towards the end of last week. This opened the door for a further rally. That said, ₹1,000 is a psychological resistance and we cannot reject the possibility of a correction in price, at least a minor one, from here.

If there is a corrective decline, it is unlikely to go beyond ₹985. But if the copper futures recover from the current level and decisively surpass ₹1,000 mark, they could extend the upswing to ₹1,025 in the short-term.

On the other hand, if the contract drops and breaches the support at ₹985, it could extend the downtrend to ₹960 and then possibly to ₹950, notable support levels.

Overall, as it stands, the uptrend is intact and we expect copper futures to rally either from the current level or after a dip to ₹985.

TRADE STRATEGY

Stay out for now. Buy copper futures if the price dips to ₹985. Target and stop-loss can be ₹1,025 and ₹970, respectively.

If it breaks out of ₹1,000 without falling to ₹985, consider going long. In this scenario, the target and stop-loss can be ₹1,025 and ₹990, respectively.