

## COMMODITY CALL.

# Zinc outlook is bullish

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The short-term outlook for zinc futures contract traded on the MCX is bullish. The contract has broken above the key resistances at ₹277 and ₹281 on Wednesday. It is currently trading at ₹284. It has also confirmed an inverted head and shoulder pattern on the daily chart. The neckline support is coming up around ₹277.

The contract has potential to rise towards ₹295-₹300 over the next 1-2 weeks. The outlook will get negated only if MCX zinc declines below ₹277. In that case, a fall to ₹270 and lower levels can be seen.

Last week we had suggested to go long at ₹271. The revised stop-loss for that position is now ₹274. Move the stop-loss for that position to ₹278. When the contract rises to ₹288, move the stop-loss to ₹283. Exit the longs at ₹290. Traders not holding any positions can go long at current levels. Accumulate on dips at ₹278. Keep the stop-loss at ₹273. Revise the stop-loss up to ₹286 as soon as the contract moves up to ₹291. Move the stop-loss further up to ₹293 when the MCX zinc contract touches ₹296 on the upside. Book profits at ₹298.