

# Bet short on zinc futures at ₹280, stop loss at ₹294

## COMMODITY CALL.

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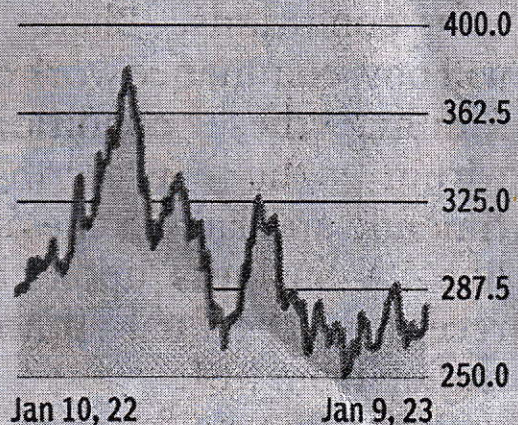
The continuous contract of zinc on the MCX rallied on Monday to a high of ₹285.85. It has softened a bit and is now trading around ₹280. The price band of ₹286-292 will see a considerable resistance and a rally beyond these levels is less likely. Notably, the contract has not rallied past these levels since August last year. Going forward, we expect zinc futures to fall from the current level. While there is minor support at ₹272, the likelihood of a fall to ₹266 is high. Immediately below this level is a support at ₹262.

On the other hand, if the contract breaks out of ₹292, the trend will turn bullish for

### MCX Zinc

Return -1.9%

₹ per kg



a rise to ₹325, a resistance level. Subsequent resistance is at ₹340. Since the probability of a decline from the current level is high, we recommend going short on MCX zinc futures now i.e., at ₹280. Add shorts if the price rallies to ₹285. Keep stop-loss at ₹294.

When the contract slips below ₹272, modify the stop-loss downwards to ₹280. Exit all the shorts at ₹266 as the contract might rebound from anywhere within the price band of ₹262-266.