

Zinc: Go long on break above ₹273; stop-loss ₹268

Gurumurthy K
bl. research bureau

Zinc price has recovered smartly last week. Zinc futures traded on the Multi Commodity Exchange (MCX) increased by about 3 per cent. It is currently trading at ₹271 per kg.

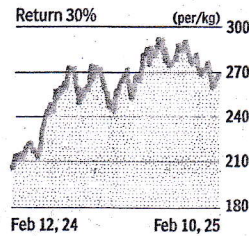
The rise last week is significant. It happened from a very important support of around ₹260.

COMMODITY CALL.

It is now important to see if the contract is getting a strong follow-through rise this week or not.

Support is now around ₹266. The zinc contract has to sustain above this support to keep the bias positive. Resistance is around ₹273.

A strong break above it can boost the momentum. Such a break can take the MCX zinc futures contract up to



₹280 and even ₹285 in the coming weeks.

The contract can revisit ₹260 levels if it declines below the support at ₹266. However, the selling pressure will increase if the contract breaks below ₹260 decisively. If that happens, the contract can fall to ₹250.

TRADE STRATEGY

Traders can go long on a break above ₹273. Keep the stop-loss at ₹268. Trail the stop-loss up to ₹276 as soon as the contract goes up to ₹278. Move the stop-loss further up to ₹279 when the contract touches ₹281. Exit the long positions at ₹283.