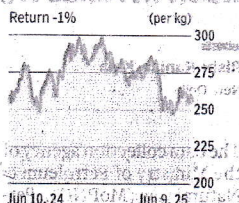


Retain shorts in zinc futures



Akhil Nallamuthu

bl research bureau

The price of zinc futures has been declining for over two weeks now.

Currently trading at ₹252/kg, the contract fell off the resistance at ₹262.

Last week, an attempt to rally was stopped by an intermediate resistance at ₹256, indicating that the bears have an upper hand at the moment.

From the current level of ₹252, there is a chance for zinc futures to drop further.

The nearest notable support levels are at ₹246 and ₹243.

The price band of ₹243-246 is a good support and has remained true over the past year, successfully arresting the decline on several occasions.

So, the potential downswing that we are likely to see now can be restricted to ₹243.

TRADE STRATEGY

On the other hand, if the contract rallies from the current level, it ought to decisively break out of the resistance at ₹262 to turn the trend bullish.

Resistance above ₹262 is at ₹266.

Last week, we recommended short on zinc futures at an average price of ₹252.50 with a stop-loss at ₹258. Retain this trade.

When the contract falls to ₹246, revise the stop-loss to ₹250. Book profits at ₹243.