

Go long on copper futures

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Copper price has been trying to recover since the last week of May. The Copper Futures contract on the MCX made a low of ₹688.5 per kg in May and has bounced from there.

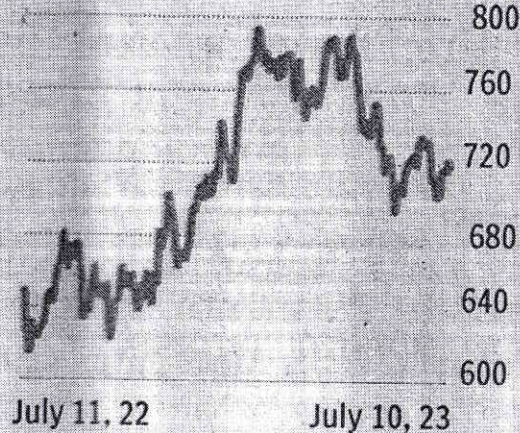
COMMODITY CALL.

But this bounce-back move is lacking strength. The contract is currently trading at ₹718.5 per kg.

From a long-term picture, the bias is positive. The re-

Return 11%

₹ per kg



cent bounce from the May low has happened from a strong trendline support. This support is currently around ₹710. The price action on the daily chart last week shows that the contract is getting strong support around ₹710. It also indicates lack of

strong sellers to drag it below ₹710. So, as long as the copper contract manages to sustain above ₹710, the bias will remain bullish. We can expect the contract to rise towards ₹730 initially and then to ₹740-745 eventually over the next couple of weeks.

Traders can go long at current levels. Accumulate on dips at ₹712. Stop-loss can be kept at ₹704. Trail the stop-loss up to ₹721 as soon as the contract moves up to ₹728. Move the stop-loss further up to ₹731 when the contract touches ₹735 on the upside. Exit the long positions at ₹740.