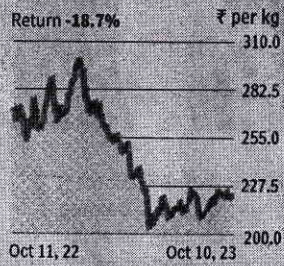


COMMODITY CALL.

Go long in zinc, stop-loss at ₹216



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Zinc prices have been stuck in a sideways range for almost a month now. The contract on the Multi Commodity Exchange (MCX) has been oscillating between ₹219 and ₹230 per kg over the last few weeks. It is currently trading at ₹221 per kg.

The sideways range remains intact. Going forward, we expect the downside to be limited to ₹219. If the contract manages to sustain above ₹219, a fresh rise to ₹227 and ₹230 can be seen over the next one-two weeks.

We have to wait for a breakout on either side of ₹219-230 range to get a cue on the next leg of move. A break below ₹219 can take the contract down to ₹217. A further break below ₹217 will increase the downside pressure.

On the other hand, a decisive break above ₹230 can boost the bullish momentum. In that case, the contract can rise to ₹235 and ₹240.

TRADE STRATEGY

We had recommended short positions earlier a couple of weeks back at around ₹223. We suggest traders to exit the short positions with a minimum profit at current levels.

Fresh long positions can be taken at ₹220 and ₹218. Keep the stop-loss at ₹216. Trail the stop-loss up to ₹222 as soon as the contract moves up to ₹224. Move the stop-loss further up to ₹224 when the contract touches ₹226. Exit the long positions at ₹228.