

Retain the short trade in copper



Akhil Nallamuthu

bl. research bureau

Copper futures are now trading at ₹1,207 a kg. For the past three weeks, the contract has traded largely in a sideways trend.

The March contract has been oscillating between ₹1,172 and ₹1,220. Nevertheless, the price has been below the 21-day moving average, indicating a negative bias for the contract. Also, copper futures have remained below the key level of ₹1,250 for over a month now.

Therefore, as of now, there is a bearish bias. The bears are likely to gain traction and eventually drag the price lower. From the current level of ₹1,207, the nearest support is at ₹1,172, followed by another one at ₹1,150.

On the other hand, if copper futures rally from the current levels and surpass the hurdle at ₹1,250, the outlook could turn bullish. In such a scenario, the contract could rally to ₹1,300.

Overall, as it stands, the key resistance levels are valid, and so traders can remain on the short side of the trade.

TRADE STRATEGY

Retain the short copper futures (March) that we suggested at ₹1,230. Maintain the stop-loss at ₹1,260.

When the contract slips to ₹1,170, tighten the stop-loss to ₹1,210. Book profits at ₹1,150.