

Zinc: Hold on to long positions, exit at ₹278

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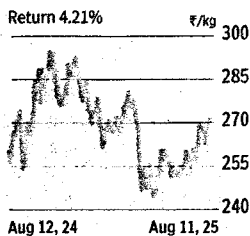
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Zinc prices have risen well over the last one week.

The zinc futures contract on the MCX has increased over 3 per cent in the past week. It is currently trading at ₹271 per kg.

COMMODITY CALL.

The overall bullish view is intact. Intermediate resistance is at ₹272. A break above it can take the contract up to ₹276-278 in the short term. In case the resistance at ₹272 holds on its first test, then a corrective dip to ₹269 can happen. After this corrective fall, the contract can reverse higher again and resume the uptrend. This leg of move will have the potential to breach ₹272 and take the contract up to ₹276-278 eventually.



Immediate support is at ₹269. Below that ₹266 is the next important support. The contract has to fall below ₹266 to turn the outlook negative. If that happens, a fall to ₹262-260 can be seen.

TRADE STRATEGY

Hold on to the long positions recommended at ₹265. Since the contract touched ₹271 in early trade on Monday, the revised stop-loss will now be ₹269.

Revise the stop-loss up to ₹272 and ₹274 when the price goes up to ₹274 and ₹276 respectively. Exit the long positions at ₹278.