

Zinc: Stay out of the market

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Zinc prices have been oscillating in a narrow range over the last few days.

The zinc futures contract on the Multi Commodity Exchange (MCX) has been range-bound between ₹271 and ₹277 per kg over the last few days.

Within this range, the contract is currently trading at ₹276.

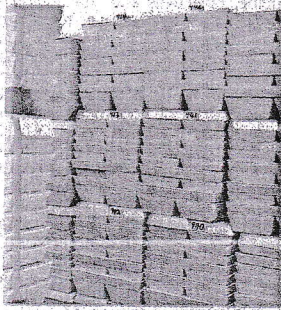
COMMODITY CALL

The near-term outlook is positive. Supports are at ₹271 and ₹269. As long as the contract trades above these supports, there is a good chance for a rise to ₹282 in the coming days.

However, the region around ₹282 is a strong resistance.

Failure to breach ₹282 and a reversal thereafter could drag the contract down to ₹270 levels again.

A new leg of fall beyond



₹269 would be bearish for the contract.

In that case, it would come under pressure for a steep fall.

On the other hand, if the contract breaches ₹282 decisively, it could gain momentum. Such a break could take the contract up to ₹295-₹300.

As such, the price action around ₹282 will need a close watch in the coming days.

TRADE STRATEGY

Since the future direction of the move will depend on what happens around ₹282, we suggest that traders stay out of the market for now.

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