

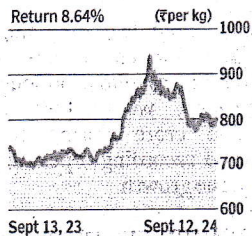
Copper: Wait for a range breakout and then go long

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Copper prices have been stable and range-bound over the past week. The copper futures contract on the MCX has been oscillating between ₹778 and ₹797 per kg in the past week. It is currently poised near the upper end of the range at ₹796 per kg.

COMMODITY CALL.

The immediate outlook is unclear. A break-out on either side of ₹778 or ₹797 will determine the next leg of move. Since the contract is now poised near the upper end of the range, it is important to see if it breaks the range on the upside. A sustained break above ₹797 will be bullish for the contract to see a rise to ₹810. But failure to breach ₹797 can drag the contract lower. In that case,



the ₹778-₹797 range will remain intact. That, in turn, can drag the contract down to ₹778 — the lower end of the range going forward.

The outlook will turn bearish if the contract declines below ₹778. Such a break can take the contract down to ₹765. Wait to see if the contract breaks above ₹797. Go long after the break-out at ₹799.

Keep stop-loss at ₹796. Trail the stop-loss up to ₹801 as soon as the contract moves up to ₹804. Move the stop-loss further up to ₹803 when the price touches ₹806. Exit long positions at ₹807.