

Copper futures: Go long if prices dip to ₹750

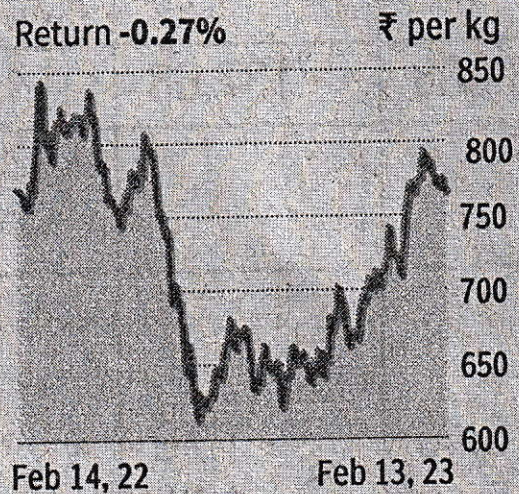
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The copper futures contract on the MCX is still on a corrective fall.

The bounce from the low of ₹763 per kg last week failed to gain momentum. The contract made a high of ₹780 and has come down again. It is currently trading at ₹768 per kg.

The price action since September last year is in the form of a bull channel. Within this channel, copper has been coming down now. There is room for a further fall to ₹750 in a week or two. The level of ₹750 is the channel support. As such a fall beyond ₹750 is less likely. We expect copper to bounce back again from around ₹750. Such a bounce will have the potential to take copper up to ₹800 and higher levels. The bullish outlook will go wrong only if the contract



breaks below ₹750 decisively. In that case, copper can see an extended fall to ₹730-720 and even lower levels going forward. But our bias is positive. So, we expect copper to sustain above ₹750 and see a fresh leg of the rally from there. Traders can wait for dips and go long at ₹755. Keep the stop-loss at ₹745. Trail the stop-loss up to ₹760 as soon as the contract moves up to ₹768.

Move the stop-loss further up to ₹770 when copper touches ₹775 on the upside. Exit the long positions at ₹780.