

# Zinc futures: Go long now

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Zinc futures, which has been moving in a narrow range on the Multi Commodity Exchange (MCX) since the beginning of July, has seen a breakout.

After oscillating between ₹212 and ₹216 for nearly two weeks, the contract has surpassed the ₹216-levels, opening the door for further rally. The contract is currently hovering around ₹218.

## COMMODITY CALL.

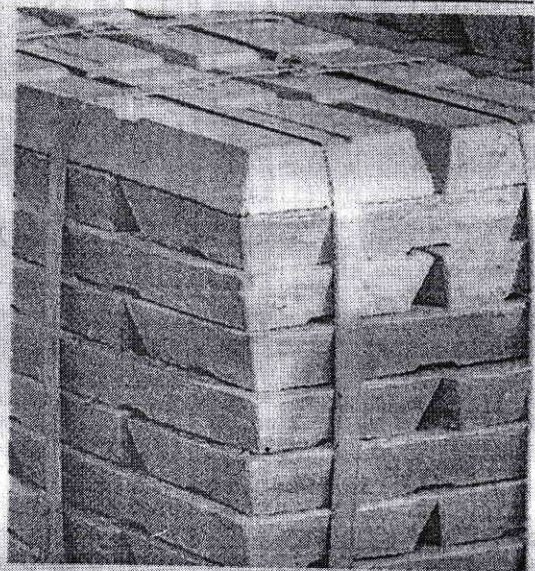
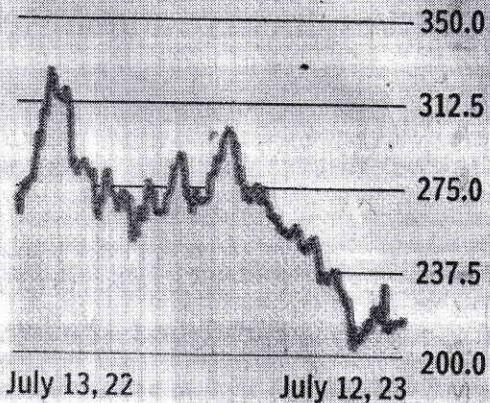
Despite the resistance at ₹223, there is a good chance for zinc futures to rally to ₹230 over the near-term.

A breach of ₹230 can turn the medium-term trend positive and the contract might even rise to ₹250.

On the other hand, if the contract declines from the current level, it has a dynamic rising trendline support. Horizontal supports are at ₹210 and ₹206.

Return -19.9%

₹ per kg



## TRADE STRATEGY

Since the contract has seen a fresh breakout, the probability of a rally is high.

Against this backdrop, one can buy zinc futures at the current level of ₹218. Add more longs if the price dips to ₹215, with the stop-loss at ₹208.

Shift the stop-loss to ₹218 when the contract touches ₹225. Book profits at ₹230.