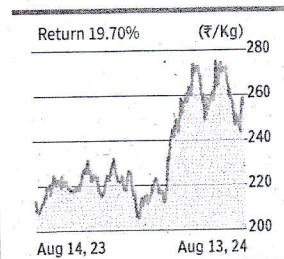


COMMODITY CALL.

Zinc: Go long now at ₹257

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Zinc prices have recovered smartly in the past week. The zinc futures contract on the Multi Commodity Exchange (MCX) dropped to a low of ₹242.70 per kg on August 5 before rising to currently trade at ₹257 per kg.

The recent bounce landed just below the key trendline support of ₹247. Immediate support is near ₹250. As long as the contract trades above this support, the outlook will remain bullish.

MCX zinc futures contract can rise to ₹280-285 in a month or two. A decisive break above ₹285 will be very bullish from a long-term perspective.

But if the contract fails to breach ₹285 and declines instead, the outlook will turn bearish. In that case, the contract can fall back to ₹250-245 again.

The rise to ₹280-285 will be negated if the contract falls below ₹245, and this can further drag the contract down to ₹237-235.

However, at the moment, a fall below ₹245 looks less probable.

TRADE STRATEGY

Traders can go long now at ₹257. Accumulate on dips at ₹252. Keep the stop-loss at ₹247. Trail the stop-loss up to ₹260 as soon as the contract moves up to ₹263. Move the stop-loss further up to ₹265 when the price touches ₹268. Exit the long positions at ₹270.