

Zinc: Upmove strengthens; hold the long positions

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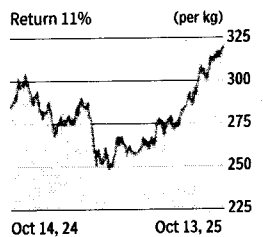
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Zinc prices continue to move higher. The broader uptrend remains intact. The zinc futures contract traded on the Multi Commodity Exchange (MCX) has risen over 1.5 per cent in the past week. The contract has risen from around ₹301 per kg and is currently trading at ₹306.50.

COMMODITY CALL.

The uptrend is intact, and the outlook continues to remain bullish. The past week has taken the contract well above an intermediate resistance level of ₹304. This could strengthen the bullish momentum. Supports are at ₹304, ₹302, and ₹300.

The MCX Zinc Futures contract can rise to ₹315-₹317 in the coming weeks. The near-term outlook will turn negative only if the contract declines below ₹304. If that happens, a dip to ₹302-300 is possible. However, the



broader uptrend will come under threat only if the contract breaks below ₹300. In that case, a fall to ₹297. But such a fall looks less likely.

We can expect the contract to sustain above ₹304 itself.

TRADE STRATEGY

Last week we had suggested to go long at ₹301. Hold on to this long positions. Follow the strategy given below. Revise the stop-loss up from the earlier ₹293 to ₹303. Move the stop-loss higher to ₹305 when the contract goes up to ₹308. Revise the stop-loss up to ₹308 and ₹311 when the price touches ₹310 and ₹313, respectively. Exit the long positions at ₹314.