

Copper futures can fall further, retain the shorts

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Copper futures on the Multi Commodity Exchange (MCX) is now stuck between ₹730 and ₹760. Nevertheless, the overall trend is bearish and the likelihood of the contract falling below ₹730 is high.

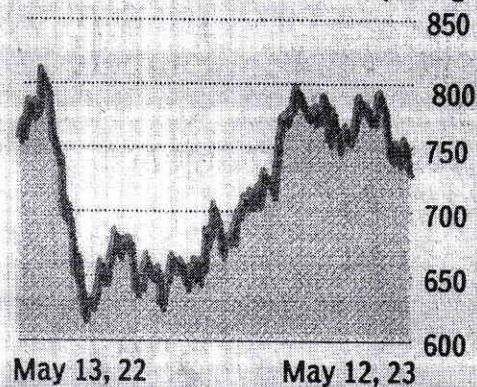
Substantiating the bearish outlook, the copper futures confirmed a double-top pattern towards the end of April, according to which, the price could decline to ₹700. Considering that there is minor support at ₹710, we can assume that the price band of ₹700-710 can offer good support.

The bearish outlook will change only if the contract decisively breaks out of the resistance at ₹760. If that occurs, we might see a rally to ₹780 or even to ₹800. However, the broader inclination remains bearish at this junc-

MCX Copper

Return -3.2%

₹ per kg



ture. Nearly three weeks back, we had recommended initiating short positions on copper futures at three levels i.e., ₹733, ₹750 and ₹760. These shorts were triggered and thus, the average short price is ₹747. Stop-loss was suggested at ₹775.

Traders who hold these shorts can retain them. Going ahead, when the contract falls below ₹720, tighten the stop-loss to ₹740. When the price touches ₹710, liquidate half of the shorts and then alter the stop-loss to ₹722. Exit the remaining positions at ₹700.