

Go long in zinc futures, stop loss at ₹276

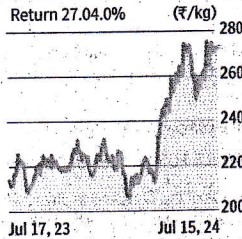
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Zinc prices have been stuck in a sideways range over the last couple of weeks. The Zinc Futures contract on the MCX has been oscillating in a range of ₹259-₹286 for more than two weeks now. Within this range, the contract is now trading at ₹273 per kg.

COMMODITY CALL.

The ₹259-₹286 sideways range remains intact. Within this broad range, ₹270-279 seems to be the narrow range of trade for some time now. So, a breakout on either side of ₹270-279 will now decide where the MCX Zinc contract can go within the broad range. A break above ₹279 can take the contract up to ₹286-288 — the upper end of the range. On the other hand, a break below ₹270 can take



the contract down to ₹260-259 — the lower end. As such the chances are high for the MCX-Zinc Futures contract to break the ₹286-288 resistance zone eventually going forward. Such a break will be bullish to take the MCX Zinc price above ₹300 in the coming months.

Traders can wait and go long on a break above ₹279. Keep the stop-loss at ₹276. Trail the stop-loss up to ₹281 as soon as the contract moves up to ₹283. Move the stop-loss further up to ₹283 when the price touches ₹295. Exit the long positions at ₹286.