

Copper: Hold on to longs, keep stop-loss at ₹870

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Copper futures (continuous contract) have been declining since July 4.

They dropped after touching a high of ₹905.90/kg on July 2, and are currently hovering around ₹880.

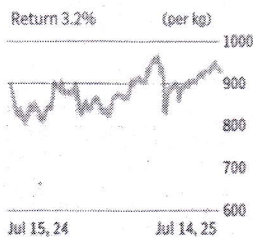
COMMODITY CALL

Although there has been some moderation in price recently, copper futures retain the positive bias as they continue to trade above the support at ₹875.

On the back of this, if the contract resumes the uptrend, it could rally and retest ₹905.

A move past this could lift the contract to ₹930.

On the other hand, if copper futures decline from the current level and breach the support at ₹875, it will open the door for further depreci-



ation. A break below ₹875 could drag copper futures to ₹862, a good base where the 38.2 per cent Fibonacci retracement of the prior uptrend coincides.

The nearest support below ₹862 is at ₹850.

TRADE STRATEGY

We recommended long positions for an average price of ₹889.

Hold this trade as the contract remains above ₹875. Maintain the stop-loss at ₹870.

When the contract rises to ₹910, tighten the stop-loss to ₹880. Book profits at ₹930.