

Copper: Add longs when the price dips to ₹720

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Copper futures on the Multi Commodity Exchange (MCX) have rallied over the past two weeks. It found support at ₹700 and rebounded in early July. The contract is currently trading around ₹732.

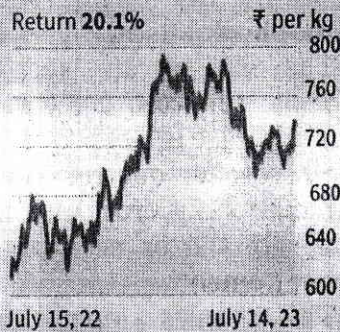
COMMODITY CALL.

The price action appears positive and as it stands, the likelihood of a rally is high.

Potentially, the contract can touch ₹765 in the next few weeks.

However, from the current level of ₹732, there is resistance at ₹742. The contract has dipped on Monday on the back of this hurdle. But this is a corrective fall and may not last long as there are supports at ₹728 and ₹720.

Both 20- and 50-day moving



averages coincide at ₹720, making it a strong support. So, a fall below this level is not likely. Going ahead, we expect the contract to resume the uptrend between the supports at ₹720 and ₹728.

TRADE STRATEGY

Go long when copper futures fall to ₹728. Add more longs if the price softens to ₹720. Place initial stop-loss at ₹710.

When the contract breaks out of ₹742, alter the stop-loss to ₹728. If the contract touches ₹755, tighten the stop-loss further to ₹742. Book profits at ₹765.