

Zinc futures: Go long at ₹300, stop-loss at ₹295

Akhil Nallamuthu

bl. research bureau

Zinc futures hit a fresh two-year high of ₹324.40 (per kg) towards the end of last week. But then it moderated and is now hovering around ₹300.

COMMODITY CALL

The recent decline has not changed the bullish structure on the chart, and it is likely to be only a corrective fall. The support at ₹300 is likely to arrest further decline. A trendline and the 50-day moving average coincide at ₹300, making it a strong base.

A rally on the back of the support at ₹300 could lift zinc futures to ₹325. A breakout of this could take it to ₹350. On the other hand, if the contract breaches the



support at ₹300, it could open the door for a decline to ₹290, a support. Only a break below this level can turn the near-term outlook weak. Immediate support below ₹290 is at ₹278.

Overall, on the back of the support at ₹300, we expect zinc futures to witness a rally to ₹325 over the forthcoming sessions.

TRADE STRATEGY

Go long on zinc futures (December) now at ₹300. Target and stop-loss can be ₹325 and ₹295 respectively.