

Buy zinc futures at ₹322 with a stop-loss at ₹314

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For about two weeks now, zinc futures (currently trading at ₹324/kg) have been in a sideways crawl. That is, since the beginning of this month, they have been oscillating between ₹318 and ₹332.

COMMODITY CALL.

On Wednesday, the contract gained nearly 2 per cent after rebounding from the lower boundary of the range, i.e., ₹318. A trendline coincides with this base, making it a strong support.

Going ahead, there is a chance for zinc futures to rally past the upper boundary of the range at ₹332 and attempt to move towards



₹340 and ₹350.

On the other hand, if the bears gather more strength and lead to a breach of the support at ₹318, the near-term outlook will turn bearish. Notable support below ₹318 is at ₹300, although ₹312 is a minor one.

TRADE STRATEGY .

Buy zinc futures at ₹322 and place a stop-loss at ₹314. When the contract reaches ₹332, trail the stop-loss to ₹322. Book profits at ₹340.