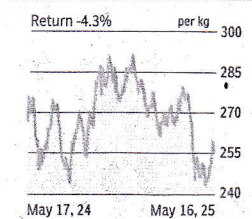


Zinc futures: Go long at ₹258, stop loss at ₹250

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The price of zinc futures has been on the rise since early May. It rebounded from a support and the price action shows that the trend has turned positive.



COMMODITY CALL.

Last week, the zinc futures (May) closed at ₹256.65/kg. Thus, the contract has surpassed the barrier at ₹256. This has increased the chances for a rally.

From the current level, we expect the contract to resume the rally and touch ₹272.

Although there is a potential hurdle at ₹266, zinc futures can surpass this and rise to ₹272.

A breakout of this can turn the medium-term trend bullish. Resistance above

₹272 is at ₹280.

But in case the contract falls from the current level, it can find support at ₹256. Subsequent support points are at ₹250 and ₹242.

That said, the chart indicates that the trend has turned positive and the probability of a rally from here is high.

TRADE STRATEGY

Go long in zinc futures now at ₹258. Place stop-loss at ₹250. When the contract touches ₹266, revise the stop-loss to ₹260. Book profits at ₹272.

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