

Bet long on copper futures, add longs if they dip to ₹765

COMMODITY CALL.

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Copper futures (continuous contract) on the MCX have been tracing a sideways trend. The February contract has been oscillating between ₹763 and ₹780 for the past couple of weeks.

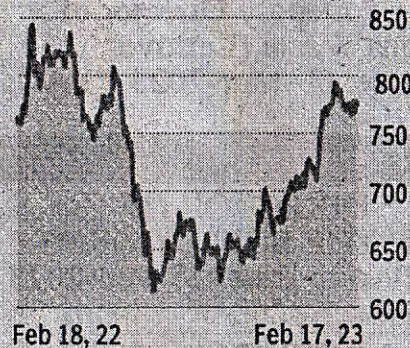
The sideways correction has moved the contract towards a rising trendline support, which the contract is expected to touch at around ₹770.

While this is positive, the

MCX Copper

Return 1.5%

₹ per kg



overall trend, too, remains bullish despite the consolidation.

So, in the coming days, we will most probably see copper bulls picking up momentum. The contract might rally to ₹810 - a considerable resistance. A

breach of this can take the contract to ₹825 and possibly to ₹840.

On the downside, a clear breach of the support at ₹763 can turn the outlook bearish. The nearest support below ₹763 is at ₹740.

Based on our expectation that copper futures are likely to appreciate, we suggest going long at the current level of ₹776. Add more longs if the price dips to ₹765. Place stop-loss at ₹755.

Modify the stop-loss to ₹772, when the contract rallies above ₹790. Tighten it further to ₹788 when the price touches ₹800. Book profits at ₹810.