

# Retain longs in zinc futures

**Akhil Nallamuthu**

bl. research bureau

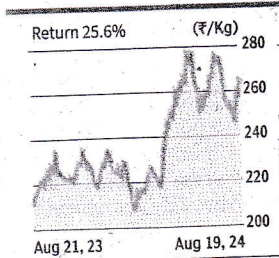
Zinc futures on the Multi Commodity Exchange (MCX) found support at ₹245 and started to rally a couple of weeks back. It surpassed the resistance at ₹255 last week.

## COMMODITY CALL.

The August futures closed at ₹264 on Monday.

While the nearest resistance is at ₹272, a breakout of this can lift the contract to ₹280-285 over the next few weeks.

The zinc futures can turn the direction downwards after appreciating to ₹280-285 price region. Such a move can drag the contract



back to ₹272. Nevertheless, as it stands, the likelihood of a rally is high and so, traders can remain on the long side of the trade.

### TRADE STRATEGY

We suggested going long on zinc futures at ₹257 last week. Since the contract has moved above ₹263, the revised stop-loss for this trade would be ₹260.

Tighten the stop-loss further to ₹265 when the price touches ₹268. Book profits at ₹270.