

Go short on zinc futures

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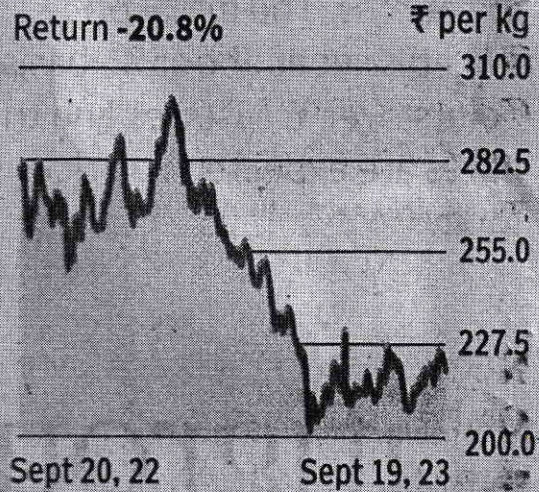
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Zinc futures on the Multi Commodity Exchange (MCX) began an upswing in mid-August after taking support at ₹210. Last week, after marking a high of ₹227.6, the September contract has now moderated to ₹221. Therefore, the resistance at ₹225 remains true and so does the range of ₹210-225.

COMMODITY CALL.

On the back of the barrier at ₹225, we might witness a fall in zinc futures in the coming sessions. The downswing might drag the contract to ₹210 from where there might be a rebound.

In case the contract regains positive momentum and ral-



lies past the hurdle at ₹225, it can quickly rally to ₹250.

On the other hand, if the support at ₹210 is breached, the bears might pull the contract down to ₹180.

TRADE STRATEGY

Over the last couple of weeks, we suggested shorting zinc futures at an average price of ₹223. Stop-loss was recommended at ₹230. Retain this trade. Going forward, when the contract falls to ₹215, tighten the stop-loss to ₹220. Book profits at ₹210.