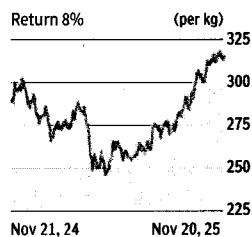


Zinc: Go long if futures break above ₹305



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Zinc prices have come down over the last one week. The contract traded on the MCX has come down, failing to sustain the break above ₹304 per kg. The contract made a high of ₹307.70 per kg and then fell back below ₹304 again to make a low of ₹298. It managed to bounce back from this low and is currently trading at ₹303 per kg.

The overall uptrend is intact. Strong support is around ₹297. Resistance is in the ₹304-305 region. A decisive break above ₹305 could strengthen the bullish momentum. Such a break could take the contract higher to ₹320 in the coming weeks.

Failure to breach ₹305 could drag it down to ₹300-₹297 again. In that case, ₹297-₹305 could be a possible trading range for some time. The broader uptrend will come under threat only if the contract breaks below ₹297. If that happens, the futures could fall to ₹292-₹290.

TRADE STRATEGY

The revised stop-loss at ₹303 on the long positions taken at ₹301 would have been triggered. Traders can stay out of the market now. Take fresh longs only after the contract breaks above ₹305. Keep the stop-loss at ₹298. Trail the stop-loss up to ₹309 as soon as the contract goes up to ₹311. Revise the stop-loss up to ₹312 and ₹315 when the contract touches ₹314 and ₹318. Exit the long positions at ₹320.