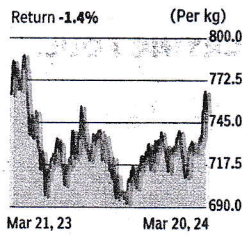


COMMODITY CALL

Retain the longs in copper futures



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Copper futures on the Multi Commodity Exchange (MCX) closed above the resistance at ₹740 and ₹755 last week. Henceforth, these levels will act as a support.

The chart indicates that the bulls have gathered considerable strength and they are likely to push the prices further.

Although there has been some decline in prices this week, the bias remains bullish. This is corroborated by the sharp rebound in price on Thursday, after copper futures faced a decline in the early part of the session.

The resistance-turned-support levels of ₹740 and ₹755 holds well and until these are valid, the odds for copper futures to hit ₹785 will remain high.

On the other hand, if the contract scales back below ₹740, the probability of a rally to ₹785 will come down significantly.

TRADE STRATEGY

Last week, we recommended buying copper futures on a breakout of ₹755. Retain this trade with the stop-loss at ₹740.

From there, when the contract rallies past ₹775, tighten the stop-loss to ₹765. Exit the longs at ₹785.