

# Copper outlook bearish, go short

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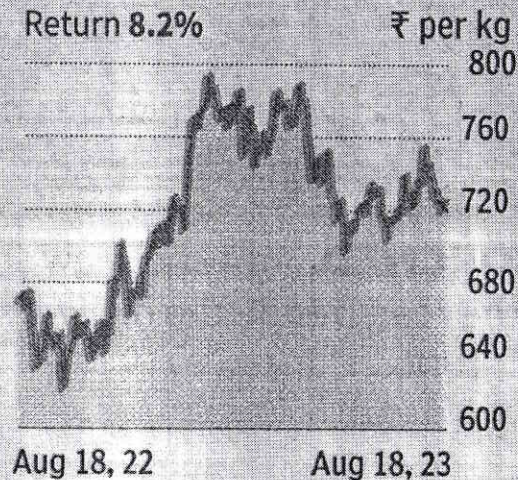
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Copper futures on the MCX fell below a trendline support a fortnight ago. It also closed below the 20-day moving average (DMA) and since then, the outlook has been bearish.

## COMMODITY

### CALL.

While the continuous contract made a low of ₹718.25 last week, it has now recovered to ₹725.



However, the trend remains bearish. Only a clear breach of the resistance at ₹742 can turn the trend bullish. Until then, the rallies can be seen as corrective ones. From the current level of ₹725, the nearest support

can be around the prior low of ₹718.

Nevertheless, we expect copper futures to fall below this level and move towards ₹705 in the near-term. Note that the price band of ₹700-705 is a support against which the contract can see a rebound. We suggest going short on futures at current level of ₹725. Short more in case the price rallies to ₹732. Place initial stop-loss at ₹736. When the contract falls below ₹718, tighten the stop-loss to ₹725. Exit the short positions at ₹708.