

**COMMODITY
CALL.****Copper futures
staring at barrier****Akhil Nallamuthu**

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Copper futures on the Multi Commodity Exchange (MCX) was on a downtrend between the final week of May and early August. During this period, the price of the contract fell from ₹950 to ₹770.

However, over the past couple of weeks, copper futures has been moving up. It closed at ₹800 on Tuesday. But the bulls have a considerable challenge ahead in the form of a barrier at ₹810.

At the resistance level of ₹810, a falling trendline and the 38.2 per cent Fibonacci retracement level of the previous downtrend coincides. This makes the barrier at ₹810 a strong one.

If the bulls manage to lift copper futures above this level, we can see an upswing to ₹838, which can possibly extend to ₹875. These are the notable resistance levels.

On the other hand, if copper futures decline from the current market price, it can find support at ₹767.

Until this level holds, bears will have low strength. Note that a consolidation between ₹767 and ₹810 in the short-term is also a possibility.

TRADING STRATEGY

Wait for now and buy copper futures if it breaks out of ₹810. Target and stop-loss can be ₹835 and ₹798, respectively.

After initiating the longs, when the price rises to ₹825, modify the stop-loss to ₹810.