

Copper futures: Retain the longs



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Copper futures on the MCX, which have been on a recovery ever since it took support at ₹700 in the final week of May, broke out of a key resistance at ₹725 a couple of weeks ago. This opened the room for more upside.

COMMODITY CALL.

As per the charts, the nearest notable barrier that the copper futures could face is at ₹750 and therefore, a rally to this level is more likely.

If the contract falls from here, it can find support at ₹725. Since the contract fell last week to retest ₹725 level, the probability of a decline from the current level of ₹734 is low. But in case the bears gain traction and drag the contract below ₹725, expect the downswing to extend to ₹710 or even to ₹700. Last week, we recommended going long at ₹728 and we also said to add longs in case the price dips to ₹725. Since that minor dip in price occurred, traders would now be holding longs at an average price at ₹726.50. One can hold these longs. But move the stop-loss from ₹718 to ₹723. Further, when the contract rallies past ₹738, modify the stop-loss to ₹730. When the contract touches ₹745, tighten the stop-loss further to ₹738. Book profits at ₹750.