

Copper: Wait for range breakout & then go long

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Copper prices have been consolidating sideways over the last two weeks. The contract traded on the MCX has been oscillating between ₹865 and ₹890 per kg for more than two weeks now. Within this range, the contract is currently trading at ₹880 per kg.

COMMODITY

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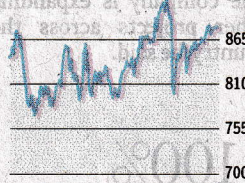
Broadly, the trend has been up since early April this year. But, the rise has been very gradual.

The 21-day moving average, currently at ₹873, has been giving good support all through this rise. The next support is at ₹865. So, as long as the contract stays above ₹865, there is no danger for the current uptrend.

Resistance is around ₹890. A break above it can take the

Return 4.38%

₹ / Kg 920



contract up to ₹910 in the next few weeks.

The outlook will turn negative only if the contract declines below ₹865.

TRADE STRATEGY

For now, since the contract is range-bound, traders can stay out of the market. However, fresh long positions can be taken on a break above ₹890.

Keep the stop-loss at ₹882. Trail the stop-loss up to ₹894 as soon as the contract goes up to ₹898.

Move the stop-loss further up to ₹899 when the price touches ₹904. Exit the long positions at ₹908.