

# Zinc: Go long on break above ₹294

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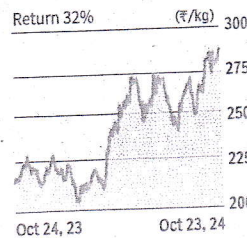
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Zinc prices continue to oscillate in a wide range. The zinc futures contract on the MCX has been range-bound between ₹274 and ₹292 for more than three weeks now. Within range, it is now poised near the upper end of this range. The contract is currently trading at ₹290 per kg.

## COMMODITY CALL.

Although the price has been oscillating in a range, the price action on the chart leaves the bias positive. The weekly candle chart indicates that the contract is getting strong buyers below ₹280.

Resistance is around ₹294. The chances are looking high for the contract to breach this hurdle in the coming



days. Such a break will boost the bullish momentum and the contract can go up to ₹310-320 in the coming weeks. If it fails to breach ₹294 and turns down, it can fall back to ₹280-₹275 again. In that case, the sideways range will continue to remain intact.

## TRADE STRATEGY

Traders can go long on a break above ₹294. Keep the stop-loss at ₹282. Trail the stop-loss up to ₹298 as soon as the contract moves up to ₹303. Move the stop-loss further up to ₹308 when the price touches ₹314. Exit the long positions at ₹318.