

As copper bounces from key support, go long

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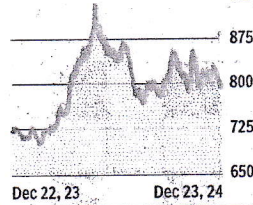
The copper futures contract traded on the MCX touched a low of ₹790.45 per kg on Friday last. From there, the price has recovered. It is currently trading at ₹802 per kg. There is good support in the region between ₹790 and ₹788. The rebound from the low of ₹790.45 could be the beginning of a fresh leg of up move.

COMMODITY CALL

Price action over the last few months indicate that the contract has seen a strong rise every time on a bounce from around ₹790.

So a strong follow-through rise from here can take the copper contract up to ₹812 in a week or two. An eventual break above ₹812 will then

Return 11% (₹/kg) 950



clear the way for a further rise to ₹827. From a medium-term perspective, this leg of rise will have the potential to target ₹850 on the upside in a month or two. The bullish view will go wrong only if the contract declines below ₹788. If that happens, then prices could fall to ₹750.

Traders can go long now at ₹802. Accumulate on dips at ₹794. Keep the stop-loss at ₹784. Trail the stop-loss up to ₹807 as soon as the contract goes up to ₹810. Move the stop-loss to ₹814 when the price touches ₹818. Exit the long positions at ₹825.