

Copper: Go long on dips at ₹895 and ₹890

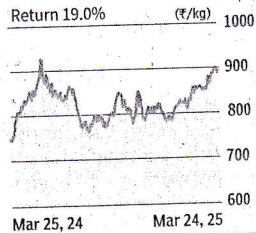
Gurumurthy K

bl Research Bureau

The pace of copper's price rise seems to have slowed down in the past week. The copper futures contract on the Multi Commodity Exchange (MCX) rose to a high of ₹915.50 per kg and has come down. It is currently trading at ₹902 per kg.

COMMODITY CALL.

The trend is still up. Strong support is in the ₹890-₹885 region. An intermediate dip to test this support zone this week is a possibility. The presence of the 21-day moving average at ₹885 makes the ₹890-₹885 region a very strong support and will be difficult to break. We expect the contract to reverse higher from this ₹890-₹885 support zone. Such a bounce will take the contract up to ₹930-₹940 in the coming weeks. It will also keep



the medium-term bullish view intact to see ₹970 levels on the upside. This bullish view will go wrong if the contract declines below ₹885. If that happens, the contract can see a fall to ₹870 and even lower. But such a fall looks less likely as we expect fresh buyers coming into the market around ₹885.

TRADE STRATEGY

Traders can go long on dips at ₹895 and ₹890. Keep the stop-loss at ₹873. Trail the stop-loss up to ₹905 as soon as the contract goes up to ₹915. Move the stop-loss further up to ₹920 when the price touches ₹925. Exit the long positions at ₹935.