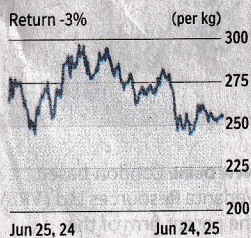


Zinc: Go long at ₹254



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Zinc prices have been inching higher over the last few days. The zinc futures contract traded on the Multi Commodity Exchange touched a low of ₹250 per kg last week and has been moving up since then. It is currently trading at ₹254.

The price action over the last two weeks indicates that the contract has formed a good base around ₹250. Also, the recent rise has taken the price just above the key resistance level of ₹253. The region between ₹253 and ₹252 will now act as a good support zone.

If the contract manages to sustain above ₹252, the bias will remain positive. In that case, there are good chances to see a rise to ₹260 in the short term.

The level of ₹250 will continue to act as a strong support.

The outlook will turn negative only if the contract breaks below this support. Such a break, though less likely now, can drag it down to ₹245-243 thereafter.

TRADE STRATEGY

Traders can go long now at ₹254 and on dips at ₹253. Keep the stop-loss at ₹249. Trail the stop-loss up to ₹255 when the contract touches ₹257.

Move the stop-loss further up to ₹257 when the price goes up to ₹259. Exit the long positions at ₹260.