

Short copper if it rises to ₹1,230

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Copper futures have been trading flat over the past week. The February contract is currently at ₹1,185 (per kg) and the March contract is at ₹1,205. Since the former is nearing its expiry (February 27), we shall consider the March contract for analysis and trade recommendation.

The March contract has been moving within the narrow price band of ₹1,172-1,125 over the past week. Prior to this, the contract saw a drop in price. So, as it stands, the bears have lost some traction but the trend has not turned bullish yet.

Going ahead, the March copper futures might rise to the ₹1,230-1,250 price band, a potential resistance. Post this move, the contract could decline to ₹1,150.

Instead of a fall, if copper futures break out of the resistance at ₹1,250, the outlook could change positive.

In such a case, the contract could rally to ₹1,300. Resistance above ₹1,300 is at ₹1,350.

That said, overall, as long as the resistance at ₹1,250 holds true, the bias will be bearish.

TRADE STRATEGY

Short copper futures (March) if they rise to ₹1,230. Place stop-loss at ₹1,260. When the contract slips to ₹1,170, tighten the stop-loss to ₹1,210. Book profits at ₹1,150.