

Zinc: Go long on April futures at ₹278

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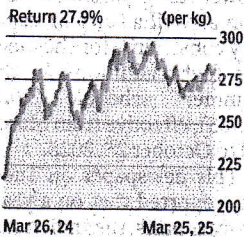
Zinc futures saw some moderation in price last week. The nearest expiry, i.e., March series lost nearly 1.9 per cent over the past week as it ended at ₹275.45/kg on Friday.

COMMODITY CALL.

However, the trend has not turned bearish. That said, since the March contract is nearing expiry, we can consider April futures for trading.

April futures, which made a low of ₹273.75 last week, have seen a recovery so far this week, closing at ₹278.10 on Tuesday. The price action appears bullish. Zinc futures (April) can rally to ₹293 in the short run.

However, if the contract falls below ₹273, a support,



the near-term outlook can become weak. In such a case, it can extend the decline to ₹266 and ₹258.

But as it stands, the uptrend in zinc futures is intact.

TRADE STRATEGY

Last week, we recommended buying March zinc futures at an average price of ₹275.50. Since this contract is about to expire, we suggest rolling over the longs.

That is, exit March futures at the prevailing price and go long on April futures at ₹278. Target and stop-loss can be ₹293 and ₹270 respectively.