

+ Zinc: Hold the longs at ₹258, exit at ₹272

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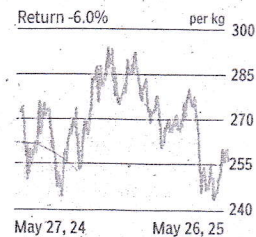
Zinc prices have been consolidating for over a week now. The zinc futures contract traded on the Multi Commodity Exchange (MCX) has been stuck between ₹255 and ₹262 per kg over this period of time.

COMMODITY CALL

Within this range, the contract is currently trading near the lower end of this range at ₹257.

The level of ₹255 is a strong trendline support as well. So, a break below it might not be easy. We can expect the contract to sustain above ₹255 and rise back towards ₹262 in the coming days.

From a big picture, the bias will be bullish as long as the contract sustains above ₹255. It will also keep the chances high for it to breach ₹262 eventually. Such a



break could take the contract up to ₹270-272 in the coming weeks. This bullish view will go wrong only if the contract breaks below ₹255 and then falls below ₹253 subsequently. If that happens, a fall to ₹250-249 could be seen. For now, such a fall looks less likely.

TRADE STRATEGY

Last week, we had suggested to go long at ₹258 with a stop-loss at ₹250. Hold this long position and retain the same strategy. Revise the stop-loss up to ₹260 when the price goes up to ₹266. Move the stop-loss further up to ₹265 when the contract moves up to ₹269. Exit the long position at ₹272.