

# Indicators signal bearish trend in MCX copper

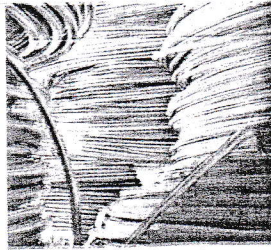
## COMMODITY CALL.

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The outlook for the copper futures contract traded on the MCX is bearish. The bounce from the July low of ₹601 per kg halted at ₹684 in mid-August and prices declined thereafter. This indicates that the overall down-trend that has been in place since March is intact. Indicators are also showing a bearish signal.

The contract is currently trading at ₹628 per kg. Resistance is at ₹645 and then at ₹660. Any intermediate bounce can be capped either at ₹645 or at ₹660. A corrective rally from ₹600 to ₹620-625 is a possibility. However, the overall picture will con-



tinue to remain weak, and the contract is likely reverse lower again from the ₹620-₹625 region.

Traders can go short at current levels in the MCX copper futures contract. Accumulate shorts on a rise at ₹640.

Keep the stop-loss at ₹665. Trail the stop-loss down to ₹618 as soon as the contract falls to ₹608. Move the stop-loss further down to ₹605 when the contract touches ₹595 on the downside. Book profits at ₹580.