

Copper: Wait for a breakout from ₹854-870 range

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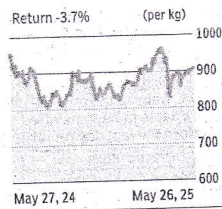
Copper futures has been trading in a narrow price band over the last two weeks. By trading around ₹857/kg currently, the May contract remains within the ₹850-865 price band.

COMMODITY CALL.

Prior to this, there was a rally as the contract rebounded on the back of the support at ₹825 in early May. But now the bulls have been challenged by the barrier at ₹865 and it has remained successful so far.

The May series will expire this week (May 30). Hence, we can consider June copper futures for analysis. This contract has been consolidating between ₹854 and ₹870 over the past two weeks.

If copper futures (June) breaks out of ₹870, it can establish a rally to ₹910 and



₹930, notable resistance levels. But in case the contract slips below the support at ₹854, it can decline to ₹825, its nearest support. Subsequent support is at ₹800.

TRADE STRATEGY

Last week, we suggested going short on May futures at ₹852 with a stop-loss at ₹865.

Exit this trade because the bears are yet to capitalise on the barrier and this contract is nearing expiry.

For fresh trades in June futures, traders should wait for a breakout from the ₹854-870 range.

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