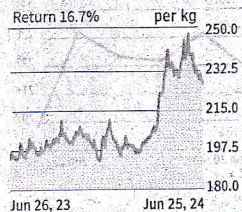


Zinc futures: Go long now at ₹265



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Zinc futures (July contract) on the MCX moved above a resistance at ₹260 on Wednesday. This has confirmed a triangle pattern, a bullish sign. But more importantly, this upswing is a notable indication that zinc futures is likely to have fallen back in line with the broader uptrend.

While the trend has been up since February, it saw a decline in price between the final week of May and the second week of June. But the downswing was stopped at ₹250, and the contract recovered. On the back of this, as said above, the gain this week gives a hint that the bulls are back in the game.

If this uptrend sustains, we can see zinc futures rallying to ₹300 in the near-term. On the other hand, if the contract declines below the support levels at ₹260 and ₹250, the bears will be able to call the shots. In this case, the price can dip to ₹230. However, considering the prevailing price action on the chart, the chances are high for an upmove, the magnitude of which depends on how much interest buyers show in the forthcoming sessions.

Buy zinc futures now at ₹265 and add longs in case the contract dips to ₹256. Place stop-loss at ₹248. When the contract touches ₹275, tighten the stop-loss to ₹268. Tighten the stop-loss further to ₹278 when the price hits ₹285. Book profits at ₹295.