

Zinc futures: Retain longs, raise stop-loss to ₹218

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Zinc prices have risen back sharply after a sharp but short-lived fall on Monday. The zinc futures contract on the MCX which fell to a low of ₹210.65 per kg on Monday had recovered very well from there. The contract is currently trading at ₹219 per kg.

COMMODITY CALL.

The sharp bounce from Monday's low of ₹210.65 indicates the presence of strong buyers at lower levels. The zinc contract has resistance ahead in the ₹221-222 region. The price can rise to test this hurdle in the coming days. The chances are looking high for the contract to breach ₹222. Such a break can take it up to ₹230 in the short-term.

If the contract reverses



lower from around ₹222, it can fall back to ₹215 and even ₹210 levels again.

Last week, we had suggested to go long at ₹214 and accumulate at ₹212. The average entry level is at ₹213. We suggest traders to hold this trade. The revised stop-loss is now at ₹216. It can be moved up to ₹218. Exit the longs at ₹222.