

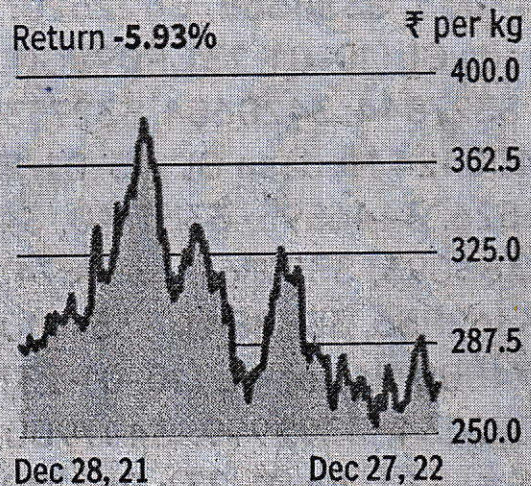
MCX Zinc: Stay out of the market

COMMODITY CALL.

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Zinc prices have declined over the last week in line with our expectations. The Zinc Futures (December) contract on the MCX fell from around ₹274 and made a low of ₹263.15 per kg. We had expected a fall to ₹265-₹263. The contract is attempting to bounce now. It is currently trading at ₹269.20 per kg.

Since the December contract will expire on Friday and the volumes have become thin, we now shift the focus to the January contract. The MCX Zinc (January) Futures contract is currently trading at ₹270.3 per kg. It has strong resistance at ₹271.2 and ₹273.20.



The MCX Zinc contract will have to breach ₹273.2 to gain bullish momentum. Such a break can take it up to ₹280 initially.

If the MCX Zinc contract fails to breach ₹273.2 and reverses lower again, it can continue to remain under pressure. Since the next direction of move will depend on whether the contract breaks above ₹273.2 or not, we suggest traders stay on the sidelines for now. Watch the price action around ₹273.2 closely before taking a trade call.