

Zinc futures: Go long at ₹267; stop loss at ₹259

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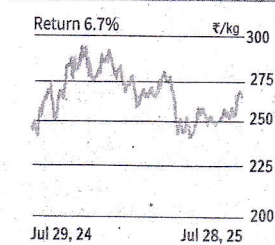
bl, Research Bureau

The uptrend in zinc price seems to be losing steam. The zinc futures contract, traded on the MCX, rose to a high of ₹271.45 per kg last week and is turning down from there. The contract is currently trading at 267 per kg.

COMMODITY CALL.

The broader trend is still up. As such any fall from here is just going to be a correction within the uptrend. Immediate support is at ₹265. Below that, ₹263 and ₹260 are the next important supports. So, the downside could be limited to ₹263 or ₹260 if the contract declines below ₹265. A fall below ₹260 looks less likely now.

A bounce from ₹265 itself or after an extended fall to ₹263-₹260 can indicate the resumption of the broader



uptrend. That leg of rise can take the contract up to ₹275 and ₹280 in the coming weeks.

The bullish outlook will get negated only if the contract declines below ₹260. If that happens, a fall to ₹254-253 can be seen.

TRADE STRATEGY

Traders can go long now at ₹267. Accumulate on dips at ₹265 and ₹263. Keep the stop-loss at ₹259. Trail the stop-loss up to ₹269 as soon as the contract goes up to ₹271. Move the stop-loss further up to ₹272 and ₹274 when the price touches ₹274 and ₹276 respectively. Exit the long positions at ₹278.