

Copper: Go long and accumulate on dips

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Copper prices have been consolidating for more than a week now. The copper futures contract traded on the MCX has been stuck between ₹892 and ₹902 per kg for more than a week. Within this range, the contract is currently trading near the upper end of the range at ₹899.

COMMODITY CALL.

The broader trend is up. So, the current sideways move is just a consolidation within the broad uptrend. The region between ₹892 and ₹890 is a strong support zone.

As long as the contract stays above ₹890, the uptrend will remain intact. As such the chances are high for the contract to make a bullish breakout above ₹902

in the coming days. Such a break can take it up to ₹912 in the short term.

This level of ₹912 is an important resistance to watch. Failure to breach this hurdle can trigger a pullback move towards 900 again.

On the other hand, the contract can gain momentum if it breaks above ₹912. Such a break can take it up to ₹930 over the medium term.

In case the contract breaks the range below ₹892, the above-mentioned bullish view will go wrong. In that case, a fall to ₹880-₹870 can be seen.

TRADE STRATEGY

Traders can go long now at ₹899 and accumulate on dips at ₹894. Keep the stop-loss at ₹889. Trail the stop-loss up to ₹902 as soon as the stock goes up to ₹905.

Move the stop-loss further up to ₹904 and ₹908 when the price touches ₹907 and ₹910. Exit the longs at ₹911.

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