



Zinc-the 'blue-eyed boy'

Zinc is the fourth widely used metal in the world. Apart from being instrumental in construction, electrical & paint industry, Zinc has a unique characteristic to its credit-It also plays an important role in normal human physical growth & taste development. Ironically, in last 6 years Zinc prices have seen little ups & many downs-just like the humanly economies which are experiencing sour taste of recession.



From trading at a top of Rs.210 to reaching a terrifying bottom of Rs.49, Zinc is slowly emerging out of its past. In last 2-3 months, the bluish-white lustrous metal has well broken above its two years long consolidation phase. On analyzing monthly chart it becomes clear that prior to consolidation phase, Zinc saw a major correction of around 40% in first six months of 2010 which in next two years shaped up into a symmetrical triangle pattern. The breakout of this triangle however took place in Sep 2012 but it was only in May this year when it clearly showed up after a traders' remorse stage. If we look at these from an Elliott wave perspective, it emerges that wave 'C' of the impulsive wave 2 is in progress. Also, a positive divergence is seen in MACD which is travelling above its zero line. To conclude, mid to long term traders can buy MCX July contract in the range of Rs.110.00-109.50 with stop below 107.50 for targets 114.80 & 117.00.



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