



3-Jul-26

GLOBAL ZINC MARKET PULSE

Global Zinc Market:

A product of Bluglance Consulting
Prices, Spreads, Premiums & Strategies

Daily Report

Zinc Price Table

	Open	High	Low	Close	% Change	5 Day % Change	YTD % Change
LME Cash (USD/MT)	3474	3475	3474	3501	-0.37%	1.74%	13.60%
LME 3M FWD (USD/MT)	3488	3504	3433	3487	-0.34%	1.51%	11.85%
LME Fut. (USD/MT)	3485	3488	3469	3503	-0.43%	1.77%	13.24%
SHFE Fut. (CNY/MT)	24400	24490	24045	24260	-0.70%	1.76%	4.34%
MCX Fut. (INR/KG)	360.95	361.45	357.55	359.75	-0.50%	1.71%	16.97%

Exchange Inventory

The nearby Zinc physical market continues to remain firm, with the LME Cash-3M spread holding in backwardation at around +\$13.7/MT. Although the spread has eased from the recent peak of +\$22/MT, it continues to indicate tight nearby metal availability and healthy physical demand. The persistence of backwardation, alongside continued inventory drawdowns, suggests that underlying market fundamentals remain supportive despite recent price consolidation.

Exchange inventories also remained constructive. LME Zinc inventories declined by 250 MT to 118,950 MT, while total reported exchange inventories fell by 403 MT, extending the ongoing decline in exchange stocks.

Zinc is trading broadly stable this morning, with LME Select indicating Zinc 3M near \$3,505/MT after closing at \$3,487/MT on Thursday. Following the recent correction, prices have stabilized around the \$3,500/MT level, suggesting that the market continues to consolidate within its broader trading range.

Cross-market pricing remained broadly stable, with the adjusted LME-SHFE net spread near -\$381/MT and the MCX premium around +\$67/MT, reflecting limited changes in regional arbitrage conditions.

Global macro sentiment remains supportive after the US June Non-Farm Payrolls came in at 57K, well below expectations, reinforcing expectations of a patient Federal Reserve. The softer US Dollar continues to support base metals, while crude oil remains near \$69/bbl as easing geopolitical tensions and improving supply expectations stabilize the broader commodity complex.

With US markets closed today for Independence Day, trading volumes are expected to remain subdued. Attention now shifts to Monday's reopening to assess whether the supportive macro backdrop translates into fresh buying interest or whether Zinc continues to consolidate around the \$3,500/MT level.

Outlook: Zinc is expected to remain range-bound within the broader \$3,490–3,650/MT range. Continued backwardation and declining exchange inventories continue to provide underlying support to the zinc market. Resistance is seen in the \$3,600–3,650/MT zone, while \$3,480/MT remains the key support level. A sustained break below \$3,480/MT could expose prices to the \$3,400/MT area.

Overall, the market remains in a consolidation phase, with physical market fundamentals continuing to offer support on price declines.

Exchange Inventory (MT)				
LME	02-Jul	01-Jul	Change	YTD Chg.
		118950	119200	-250
MCX	01-Jul	30-Jun	Change	YTD Chg.
		663	675	-12
SHFE	26-Jun	19-Jun	Change	YTD Chg.
		154727	154868	-141
Total			-403	95197

Ratio Analysis

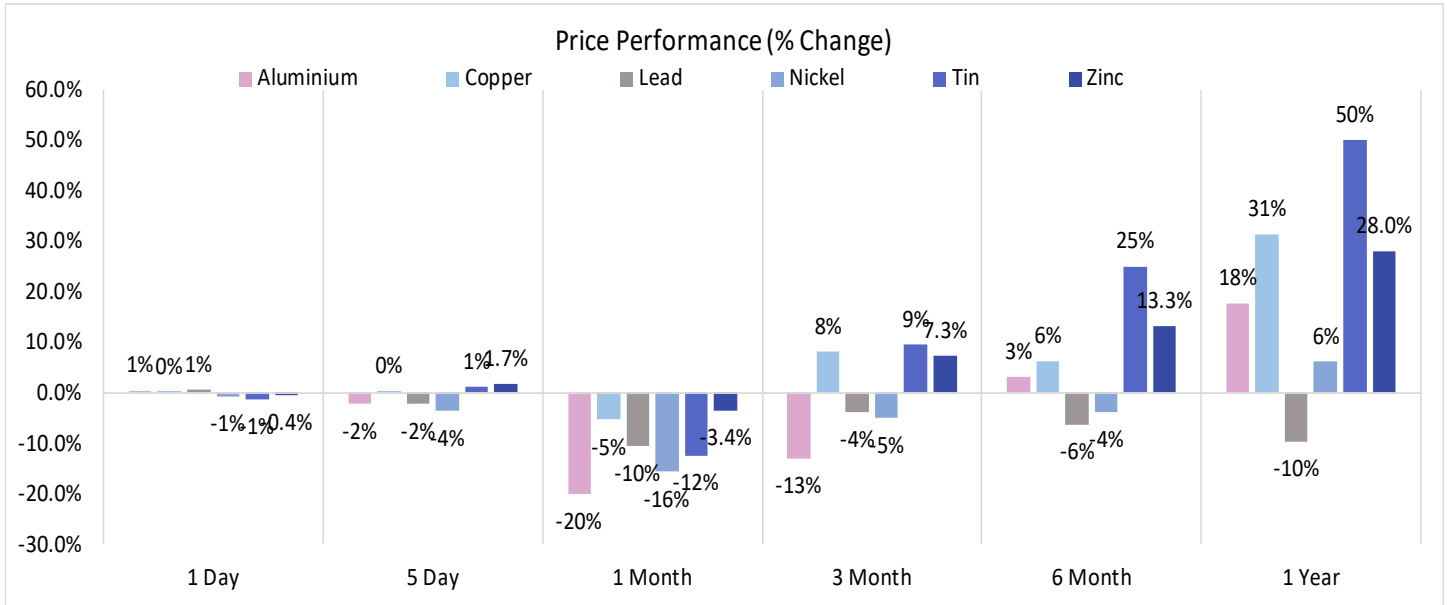
	Commodity	02-Jul	31-Dec	% Change
Mining Resources	Zinc	3487	3118	11.9%
	Lead	1876	2011	-6.7%
	Zinc/Lead	1.86	1.55	
Macro Relation	Zinc	3487	3118	11.9%
	Silver	60.91	71.66	-15.0%
	Copper/ Lead	57.24	43.50	

Spread Analysis

Contract	Price (USD/MT)			
LME Cash	3501			
SHFE Future	3575	-381		
MCX Future	3771		67	
LME Zinc Futures				
Contract	Price (USD/MT)	Change (%)	Spread	Annu. Carry %
May	3503	-0.43%	10.00	3.47
June	3513	-0.37%		
SHFE Zinc Futures				
Contract	Price (CNY/MT)	Change (%)	Spread	Annu. Carry %
May	24260	-0.70%	55	2.76
June	24315	-0.71%		
July	24355	-0.75%		
MCX Zinc Futures				
Contract	Price (₹/kg)	Change (%)	Spread	Annu. Carry %
May	359.75	-0.50%	-2.60	-8.79
June	357.15	-0.58%		
July	356.20	-1.15%		
Note: Net Spread (USD/MT) MCX: Price + Prem. \$203/MT (5% BCD + \$40), SHFE: Price+13% Prem.				

Source: Bloomberg, Bluglance

Price Performance



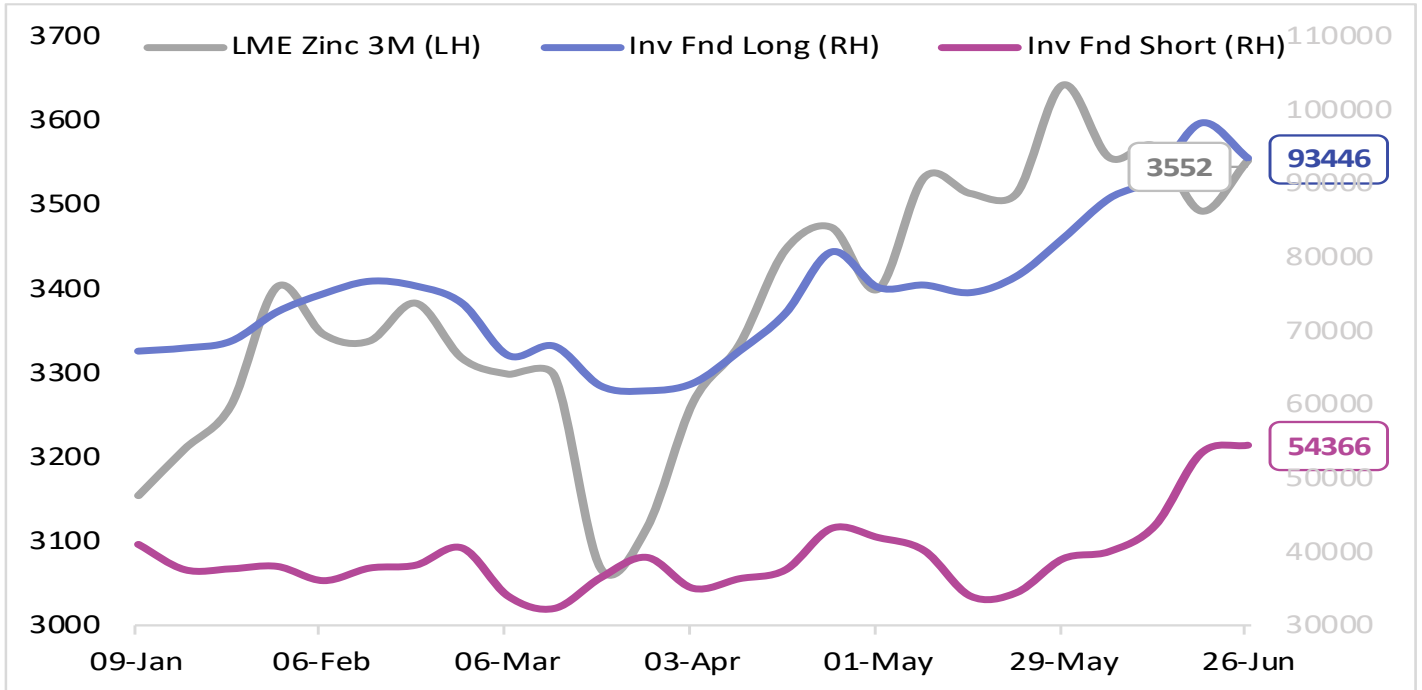
Technical Analysis:



Technical Support & Resistance:

	Close	Pivot	Support2	Support1	Resi.1	Resi. 2
LME Cash (USD/MT)	3501	3483	3482	3492	3493	3484
LME 3M FWD (USD/MT)	3487	3475	3404	3445	3516	3546
LME Fut. (USD/MT)	3503	3487	3468	3485	3504	3506
SHFE Fut. (CNY/MT)	24260	24265	23820	24040	24485	24710
MCX Fut. (INR/KG)	359.8	359.6	355.7	357.7	361.6	363.5

Commitment of Traders Report



CFTC Update: Investment fund longs eased to 93,446 tonnes from 98,227 tonnes the previous week, while shorts edged up to 54,366 tonnes from 53,325 tonnes, as LME 3M Zinc prices firmed to \$3,552. The pullback in longs alongside rising prices suggests some position trimming at higher levels, though the net long position remains intact.

Economic Events

Time	Country	Event	Period	Survey	Prior
07:15	China	RatingDog China PMI Services	Jun	53.5	54.4
10:30	India	HSBC India PMI Services	Jun F	--	57.3
13:30	EC	S&P Global Eurozone Services PMI	Jun F	48.9	48.9
14:00	UK	S&P Global UK Services PMI	Jun F	48.7	48.7

Source: Bloomberg, Bluglance

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