BLUGLANCE™

14-Aug-26

GLOBAL ZINC MARKET PULSE

Global Zinc Market:

A product of Bluglance Consulting

Prices, Spreads, Premiums & Strategies

Daily Report

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Zinc Price Table

	Open	High	Low	Close	% Change	5 Day % Change	YTD % Change
LME Cash (USD/MT)	3805	3841	3805	3841	0.18%	0.31%	24.63%
LME 3M FWD (USD/MT)	3745	3759	3698	3752	-0.13%	-0.32%	20.35%
LME Fut. (USD/MT)	3807	3843	3807	3843	0.13%	0.23%	24.23%
SHFE Fut. (CNY/MT)	25800	25800	25500	25575	-0.29%	-1.14%	10.00%
MCX Fut. (INR/KG)	393.45	395.60	390.30	395.20	-0.09%	0.09%	28.50%

Zinc LME 3-Month is trading around $3,730/MT this morning. In the previous session, it opened at $3,745/MT, traded within a range of $3,698 to $3,759/MT, and closed at $3,752/MT, down 0.13%. LME Cash closed at $3,841/MT, up 0.18%.

The LME Cash-3M spread stands at +89.51, widening sharply from the prior session and further deepening the backwardation, signalling increased tightness in prompt metal availability.

LME inventory fell by 2,800 MT to 92,550 MT as of 13 August, marking a 2.94% single-day drawdown. MCX inventory also declined to 210 MT, while SHFE inventory remained at 151,657 MT as of 7 August.

Chinese domestic zinc inventories across seven regions fell by 7,400 MT to 264,300 MT as of 13 August, indicating continued destocking.

The divergence between the two exchanges remains notable. LME Zinc is trading in a steep backwardation of around USD 75/MT between the first and second contracts, highlighting tight prompt availability, while SHFE Zinc remains in a slight CNY 25/MT contango. The SHFE/LME ratio is around 6.8, suggesting that despite recent Chinese destocking, domestic market conditions remain relatively more comfortable than in the LME market.

Spot activity across major Chinese hubs remained subdued. Downstream buying continued to be largely need-based, while softer premiums in Shanghai and limited buying interest in Guangdong and Tianjin reflected cautious demand. Ningbo supply has also improved following the resumption of vessel arrivals after the typhoon.

Macro Watch: US July PPI came in at 0.0% MoM against expectations of 0.2%, while Core PPI was 0.2% against 0.3% expected. Initial Jobless Claims also rose to 209K from expectations of 202K, pointing to some easing in inflation and labour-market conditions. However, mixed signals from Fed speakers kept the broader policy outlook uncertain. The Dollar is trading around 99.92 this morning.

No major data is scheduled today, so markets will continue to focus on the latest inflation, labour-market and Fed signals.

Outlook: Zinc continues to hold within its established range, with support at $3,630 and resistance at $3,800. The sharp widening in Cash-3M backwardation, together with continued LME and Chinese inventory drawdowns, points to strengthening physical tightness and keeps the fundamental backdrop supportive.

Bias: Bullish

Exchange Inventory

Exchange Inventory (MT)				
LME	13-Aug	12-Aug	Change	YTD Chg.
	92550	95350	-2800	-15075
MCX	12-Aug	11-Aug	Change	YTD Chg.
	210	265	-54	-1514
SHFE	07-Aug	31-Jul	Change	YTD Chg.
	151657	151530	127	81864
Total	**244417**	**247145**	**-2727**	**65275**

Ratio Analysis

	Commodity	13-Aug	31-Dec	% Change
Mining Resources	Zinc	3752	3118	20.4%
	Lead	1887	2011	-6.2%
	Zinc/Lead	1.99	1.55	
Macro Relation	Zinc	3752	3118	20.4%
	Silver	64.49	71.66	-10.0%
	Copper/ Lead	58.18	43.50	

Spread Analysis

Contract	Price (USD/MT)			
LME Cash	3841			
SHFE Future	3792	-549		
MCX Future	4141		97	
LME Zinc Futures				
Contract	**Price (USD/MT)**	**Change (%)**	**Spread**	**Annu. Carry %**
Near	3843	0.13%	-75.00	-23.74
Next	3768	-0.05%		
SHFE Zinc Futures				
Contract	**Price (CNY/MT)**	**Change (%)**	**Spread**	**Annu. Carry %**
Near	25575	-0.29%	130	6.18
Next	25705	0.10%		
Far	25750	0.08%	175	4.16
MCX Zinc Futures				
Contract	**Price (₹/kg)**	**Change (%)**	**Spread**	**Annu.Carry %**
Near	395.20	-0.09%	-6.40	-19.70
Next	388.80	-0.08%		
Far	382.65	-0.65%	-12.55	-19.32

Note: Net Spread (USD/MT) MCX: Price + Prem. $203/MT (5% BCD + $40), SHFE: Price+13% Prem.

Source: Bloomberg, Bluglance

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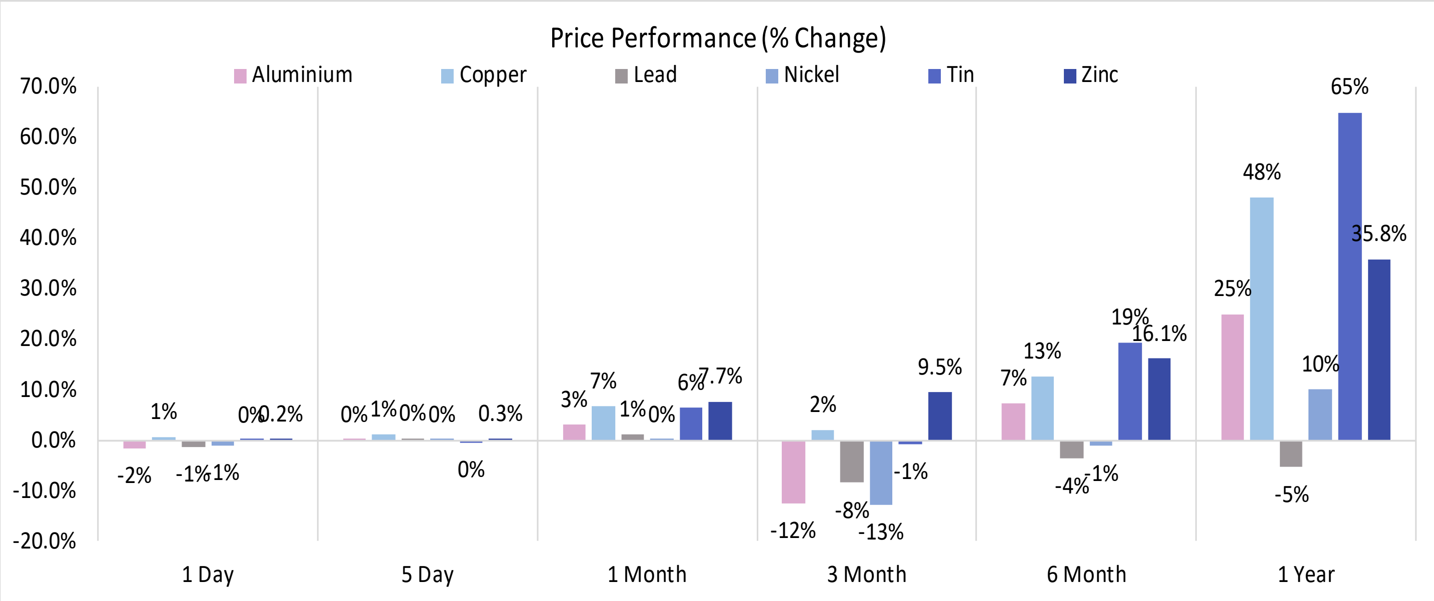
Price Performance

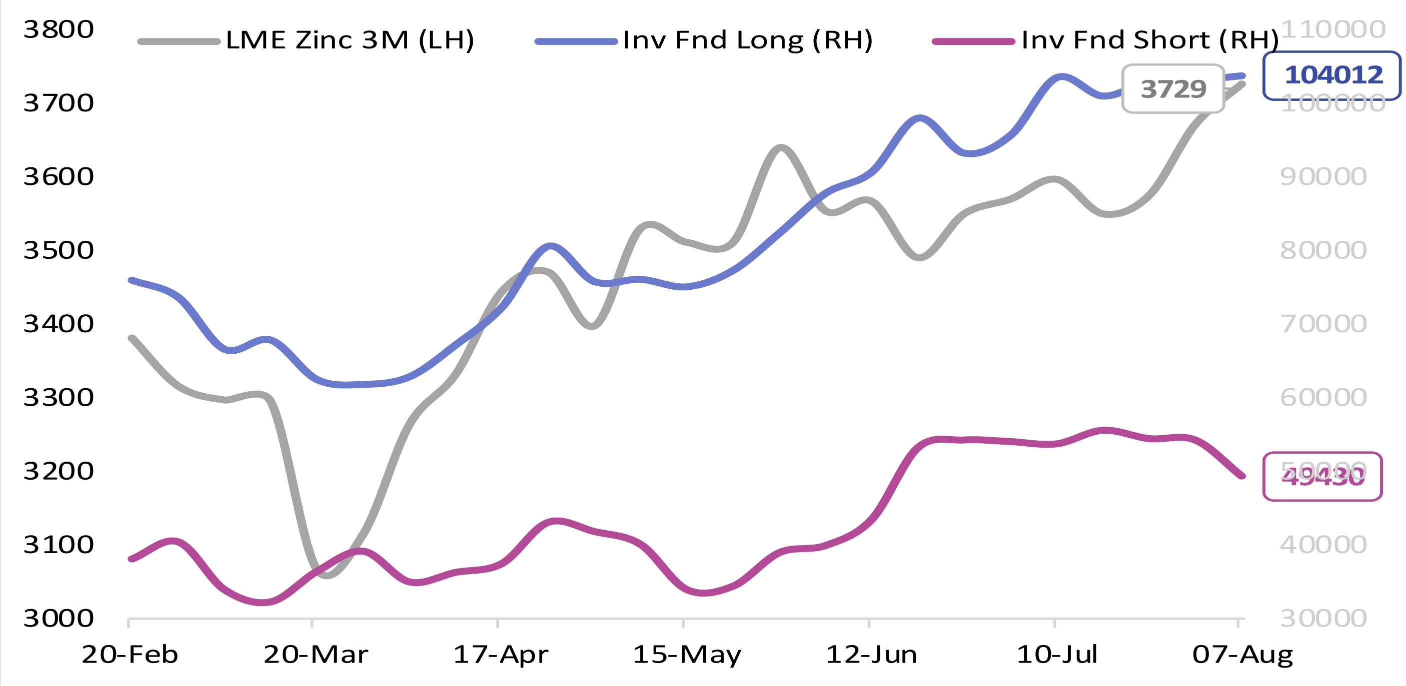


Technical Analysis:

Technical Support & Resistance:

	Close	Pivot	Support2	Support1	Resi.1	Resi. 2
LME Cash (USD/MT)	3841	3829	3793	3817	3853	3865
LME 3M FWD (USD/MT)	3752	3736	3675	3714	3775	3797
LME Fut. (USD/MT)	3843	3831	3795	3819	3855	3867
SHFE Fut. (CNY/MT)	25575	25625	25325	25450	25750	25925
MCX Fut. (INR/KG)	395.2	393.7	388.4	391.8	397.1	399.0

Commitment of Traders Report



CFTC Update: Investment fund longs edged up by 624 tonnes to 104,012 tonnes, while shorts declined sharply by 4,922 tonnes to 49,430 tonnes. On a week-on-week basis, longs gained 1% while shorts fell 9%, a notable short covering move. On a YTD basis, longs are up 60% while shorts have risen 23% from the start of the year, with the net long position strengthening further as speculative bearish positioning continues to unwind in zinc.

Economic Events

Time	Country	Relevance	Event	Period	Survey	Prior
12:00	India		Output PPI YoY	Jul	--	9.57%
12:00	India		Wholesale Prices YoY	Jul	10.00%	9.87%
14:30	EC		GDP SA YoY	2Q S	1.00%	1.00%
14:30	EC		Trade Balance SA	Jun	--	-5.0b
18:00	US		Retail Sales Advance MoM	Jul	0.10%	0.20%
19:30	US		U. of Mich. Sentiment	Aug P	54.6	55.2
	India		Trade Balance	Jul	-$30600m	-$30428m

Source: Bloomberg, Bluglance

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