



16-Oct-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)	3747	3751	3693	3701	-1.67%	-2.90%	20.10%
LME 3M FWD (USD/MT)	3711	3714	3652	3665	-1.37%	-2.86%	17.55%
LME Fut. (USD/MT)	3768	3768	3685	3727	-1.17%	-2.13%	20.46%
SHFE Fut. (CNY/MT)	25600	25625	25240	25620	-0.47%	-3.05%	10.19%
MCX Fut. (INR/KG)	414.35	416.25	412.50	414.60	-0.26%	-0.84%	34.81%

Exchange Inventory

Exchange Inventory (MT)					
LME	15-Oct	14-Oct	Change	MTD Chg.	YTD Chg.
	151050	144125	6925	29450	43425
MCX	14-Oct	13-Oct	Change	MTD Chg.	YTD Chg.
	16	21	-5	-992	-1709
SHFE	09-Oct	02-Oct	Change	MTD Chg.	YTD Chg.
	146164	143527	2637	2637	76371
Total	297230	287673	9557	31095	118087

Ratio Analysis

	Commodity	15-Oct	31-Dec	% Change
Mining Resources	Zinc	3665	3118	17.5%
	Lead	1881	2011	-6.5%
	Zinc/Lead	1.95	1.55	
Macro Relation	Zinc	3665	3118	17.5%
	Silver	57.16	71.66	-20.2%
	Copper/ Lead	64.12	43.50	

Spread Analysis

Contract	Price (USD/MT)			
LME Cash	3701			
SHFE Future	3829	-353		
MCX Future	4362		458	
LME Zinc Futures				
Contract	Price (USD/MT)	Change (%)	Spread	Annu. Carry %
Near	3727	-1.17%	-40.50	-13.22
Next	3686	-1.39%		
SHFE Zinc Futures				
Contract	Price (CNY/MT)	Change (%)	Spread	Annu. Carry %
Near	25620	-0.47%	-65	-3.09
Next	25555	-0.74%		
Far	25510	-0.80%	-110	-2.61
MCX Zinc Futures				
Contract	Price (₹/kg)	Change (%)	Spread	Annu. Carry %
Near	414.60	-0.26%	-21.10	-61.92
Next	393.50	-0.98%		
Far	385.80	-1.46%	-28.80	-42.26
Note: Net Spread (USD/MT) MCX: Price + Prem. \$203/MT (5% BCD + \$40), SHFE: Price+13% Prem.				

LME Zinc Inventory Build-Up and Easing Backwardation Weigh on Recovery Prospects

LME zinc came under sharp selling pressure on Thursday, with prices falling towards the \$3,650/MT level before recovering modestly. At the time of writing, three-month zinc is trading around \$3,700/MT. While the rebound indicates some buying interest at lower levels, the underlying fundamentals suggest that the recovery may struggle to sustain, with prices remaining vulnerable to renewed selling pressure.

A key development is the sharp deterioration in nearby market tightness. The LME cash-to-three-month backwardation has narrowed to approximately \$37/MT, down substantially from its recent peak of around \$232/MT. The sharp contraction in backwardation suggests that the premium for immediate metal availability has eased considerably. This reduces one of the key supports that had underpinned zinc prices in recent weeks and points towards a less constrained nearby market.

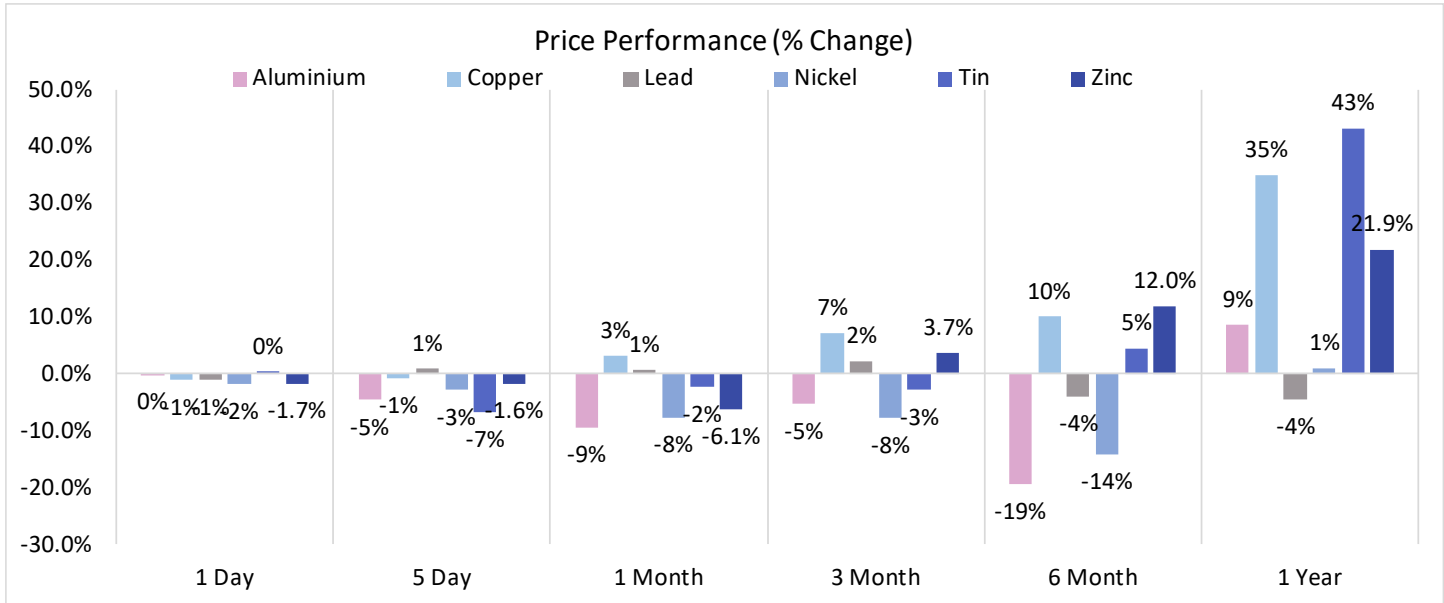
The inventory situation adds to the bearish undertone. LME-registered zinc stocks have continued to rise, crossing 151,000 tonnes following a substantial build-up this week. The combination of rising exchange inventories and easing backwardation indicates an improvement in immediately available metal and raises questions over the sustainability of the earlier supply-tightness premium. Unless inventory accumulation slows and nearby spreads begin to strengthen again, the fundamental backdrop is likely to remain a source of pressure.

Macroeconomic conditions are also not particularly supportive. A firm US dollar and renewed concerns over the US inflation outlook have weighed on base metals, limiting the scope for a sustained recovery. Although short-covering and bargain hunting may provide intermittent support after the sharp decline, these factors alone may not be sufficient to reverse the prevailing weakness.

Perspective: Zinc is likely to remain under pressure, with any near-term recovery potentially attracting fresh selling interest. The expected trading range for the day is \$3,650–3,740/MT. For now, the preference is to remain cautious on fresh buying until there is clearer evidence of stabilization in LME inventories and a recovery in nearby backwardation.



Price Performance



Technical Analysis:

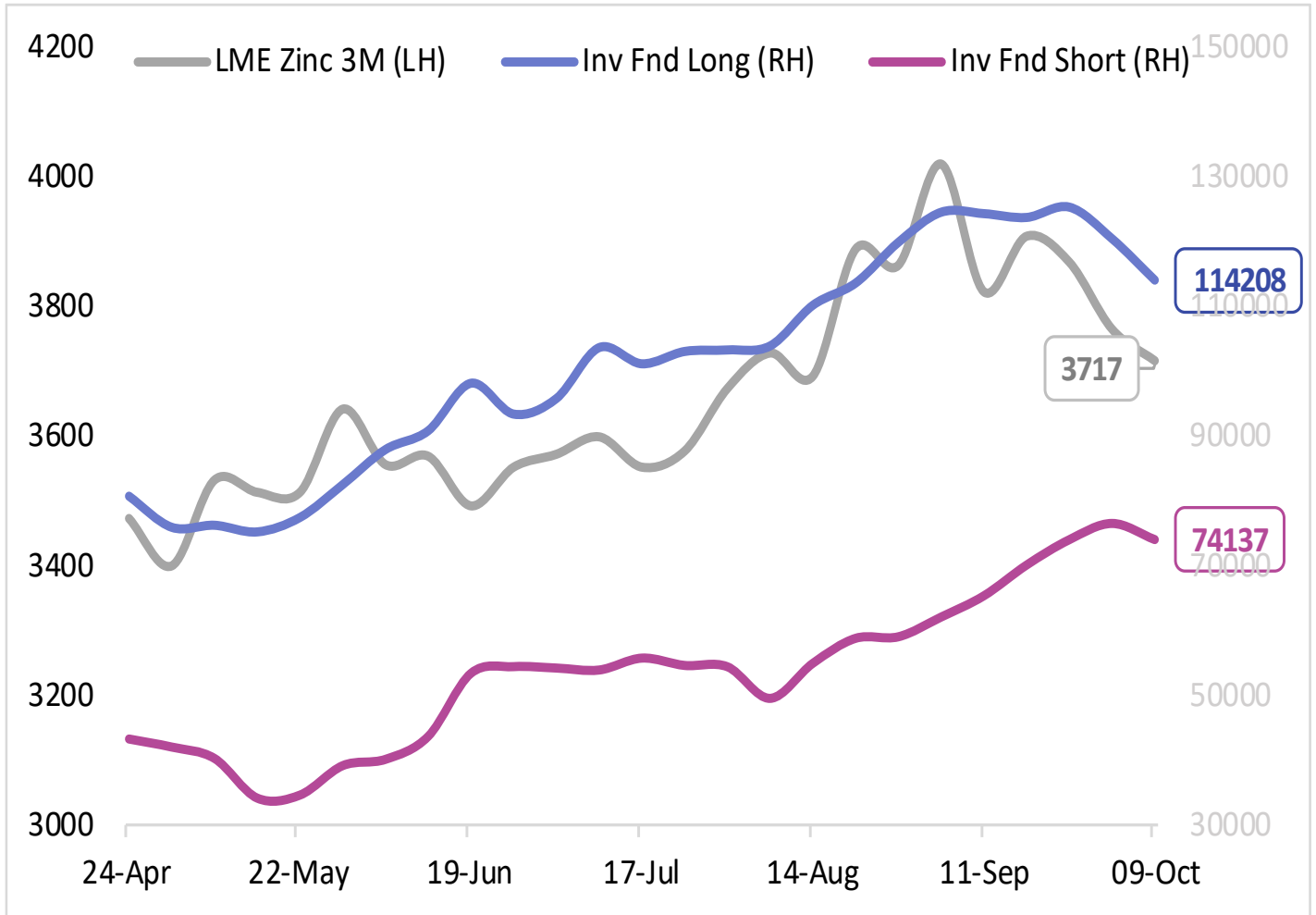


Technical Support & Resistance:

	Close	Pivot	Support2	Support1	Resi.1	Resi. 2
LME Cash (USD/MT)	3701	3715	3657	3679	3737	3773
LME 3M FWD (USD/MT)	3665	3677	3614	3639	3702	3739
LME Fut. (USD/MT)	3727	3727	3644	3685	3768	3810
SHFE Fut. (CNY/MT)	25620	25495	25110	25365	25750	25880
MCX Fut. (INR/KG)	414.6	414.5	410.7	412.7	416.4	418.2



Commitment of Traders Report



Economic Events						
Time	Country	Relevance	Event	Period	Survey	Prior
14:30	EC		Trade Balance SA	Aug	--	5.0b
14:30	EC		CPI YoY	Sep F	3.80%	3.80%
18:45	US		Industrial Production MoM	Sep	0.40%	0.00%
18:45	US		Capacity Utilization	Sep	76.50%	76.30%

Source: Bluglance

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