



**22-May-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)	3538	3538	3527	3509	-0.90%	-1.60%	13.86%
LME 3M FWD (USD/MT)	3563	3576	3505	3523	-0.93%	-1.73%	13.01%
LME Fut. (USD/MT)	3540	3540	3518	3523	-0.93%	-1.23%	13.88%
SHFE Fut. (CNY/MT)	24700	24915	24675	24820	1.31%	0.20%	6.75%
MCX Fut. (INR/KG)	369.45	372.60	366.10	367.45	-0.80%	0.01%	19.48%

## Exchange Inventory

Zinc opens firmer this morning with LME Select indicating the 3M contract at \$3,555.5, up 0.92% from the previous session's close of \$3,523.0, as three consecutive sessions of inventory draws and a steadily narrowing contango offer early structural support.

**Spread & Inventory:** The cash-to-3M spread has narrowed further to -\$13.20, the tightest contango since early May, continuing a three-session narrowing trend. Zinc briefly achieved backwardation in late April, peaking at +\$11, before flipping back to contango and deepening to -\$20 on 19 May. The steady narrowing is encouraging but the market remains firmly in contango. LME inventories drew down 800 MT to 111,250 MT, the third consecutive session of draws totalling 2,075 MT, with YTD additions at 3,625 MT.

**Macro Perspective:** Iran nuclear talks remain unresolved, and Iran's move to formalise a permanent toll system over the Strait of Hormuz, rejected by Trump, keeps the Hormuz risk premium alive and weighs on broader commodity sentiment including metals. Crude holds above \$97, DXY at 99.27, and USDINR easing to 96.21 offers a marginal MCX cushion.

**Key Events:** Markets continue to watch Iran-Hormuz developments and weekend geopolitical headlines for direction.

**Outlook:** The structural picture is showing the most consistent improvement of the week, with three consecutive inventory draws and contango narrowing to its tightest level since early May. However, the YTD inventory build remains significant and the market is still far from the backwardation seen in late April. A sustained close above \$3,580 would be needed to open the next resistance at \$3,606. The range-bound view is maintained with a marginally improving bias.

- **Immediate range:** \$3,520–\$3,580/MT (LME 3M)
- **Upside trigger:** Close above \$3,580 → opens \$3,606/MT
- **Downside risk:** Close below \$3,520 → opens \$3,493/MT
- **2–3 week range:** \$3,464–\$3,606/MT

Exchange Inventory (MT)				
LME	21-May	20-May	Change	YTD Chg.
		111250	112050	-800
MCX	20-May	19-May	Change	YTD Chg.
		22	22	0
SHFE	15-May	08-May	Change	YTD Chg.
		151084	146766	4318
Total			3518	83213

## Ratio Analysis

	Commodity	21-May	31-Dec	% Change
Mining Resources	Zinc	3523	3118	13.0%
	Lead	2005	2011	-0.3%
	Zinc/Lead	1.76	1.55	
Macro Relation	Zinc	3523	3118	13.0%
	Silver	76.68	71.66	7.0%
	Copper/ Lead	45.95	43.50	

## Spread Analysis

Contract	Price (USD/MT)			
LME Cash	3509			
SHFE Future	3648	-317		
MCX Future	3820		108	
LME Zinc Futures				
Contract	Price (USD/MT)	Change (%)	Spread	Annu. Carry %
May	3523	-0.93%	5.00	1.73
June	3528	-0.93%		
SHFE Zinc Futures				
Contract	Price (CNY/MT)	Change (%)	Spread	Annu. Carry %
May	24820	1.31%	65	3.19
June	24885	1.28%		
July	24940	1.28%		
MCX Zinc Futures				
Contract	Price (₹/kg)	Change (%)	Spread	Annu. Carry %
May	367.45	-0.80%	-2.45	-8.11
June	365.00	-0.86%		
July	363.55	-0.62%		
Note: Net Spread (USD/MT) MCX: Price + Prem. \$203/MT (5% BCD + \$40), SHFE: Price+13% Prem.				

Source: Bloomberg, Bluglance



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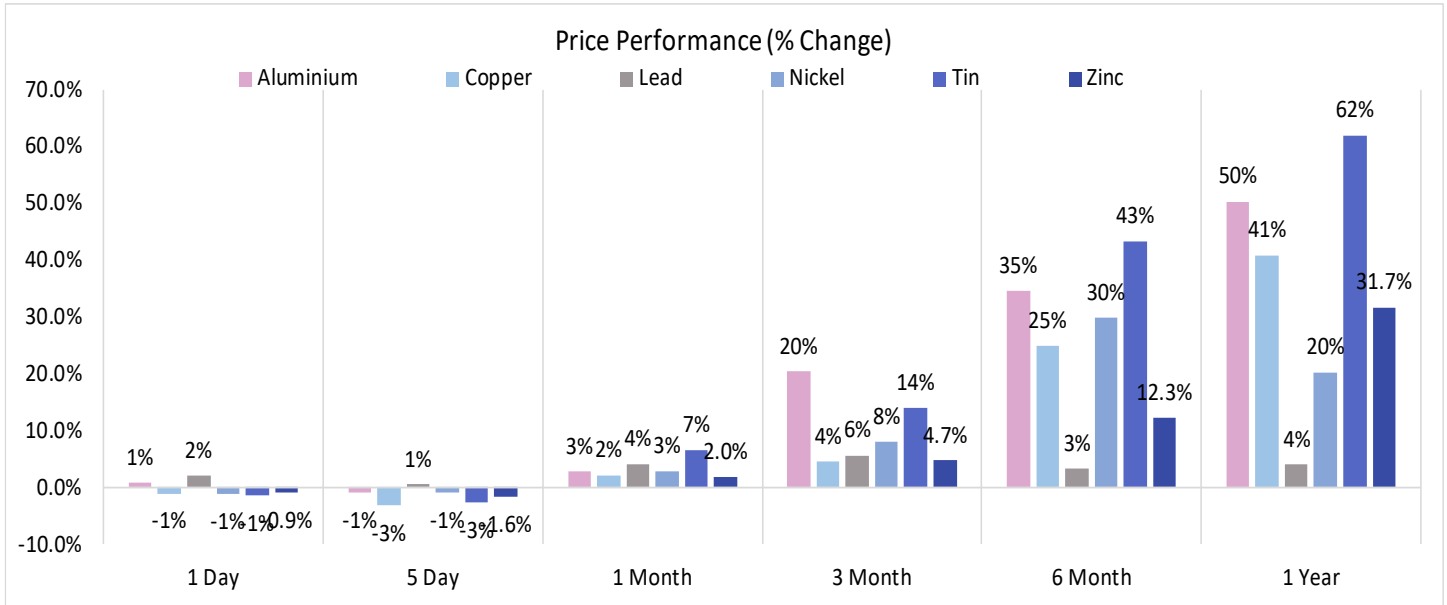


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## Price Performance



## Technical Analysis:

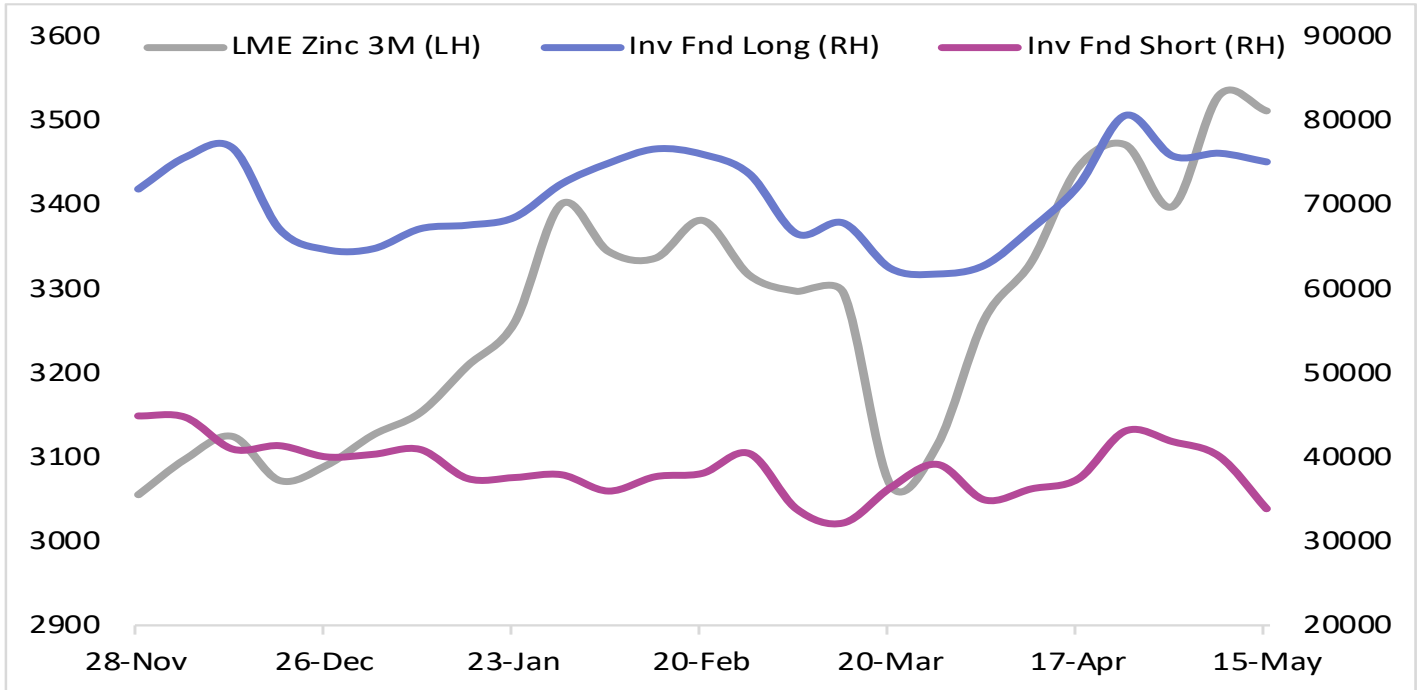


**Technical Analysis:** Zinc ended slightly lower on Thursday at 3,522, down 0.93%. However, the metal continues to hold firmly above the 21-day exponential moving average and near the lower end of its narrow upward trading channel, which is providing support to prices. As a result, mild bullishness in the metal is likely to continue in the near term.

## Technical Support & Resistance:

	Close	Pivot	Support2	Support1	Resi.1	Resi. 2
LME Cash (USD/MT)	3509	3525	3514	3511	3522	3536
LME 3M FWD (USD/MT)	3523	3535	3464	3493	3564	3606
LME Fut. (USD/MT)	3523	3527	3505	3514	3536	3549
SHFE Fut. (CNY/MT)	24820	24803	24563	24692	24932	25043
MCX Fut. (INR/KG)	367.5	368.7	362.2	364.8	371.3	375.2

## Commitment of Traders Report



**CFTC Update:** Investment fund longs eased marginally to 75,187 tonnes from 76,217 tonnes the previous week, while shorts declined to 33,911 tonnes from 40,086 tonnes, as LME 3M Zinc prices held near \$3,513. The notable short reduction alongside a relatively stable long position reinforces the sustained bullish bias in zinc speculative positioning.

### Economic Events

Time	Country	Event	Period	Survey	Prior
19:30	US	U. of Mich. Sentiment	May F	48.3	48.2
20:30	US	Kansas City Fed Services Activity	May	--	3

Source: Bloomberg, Bluglance

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