



**27-Jan-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	6 Month % Change	YoY % Change	52 Week High	52 Week Low
LME Cash (USD/MT)	3330	3330	3328	3316	2.73%	4.28%	17.51%	19.19%	3355	2520
LME 3M FWD (USD/MT)	3279	3373	3265	3343	2.51%	3.76%	18.38%	18.21%	3373	2516
LME Fut. (USD/MT)	3284	3352	3284	3329	2.68%	4.69%	17.67%	18.98%	3375	2356
SHFE Fut. (CNY/MT)	24680	24805	24565	24695	0.67%	1.44%	8.31%	4.57%	25480	21140
MCX Fut. (INR/KG)	318.60	318.85	315.80	316.25	0.00%	1.10%	17.28%	16.81%	324.40	243.70

Zinc prices have remained on a firm upward trajectory over the past year, largely supported by favorable macro tailwinds, despite the persistent debate around excess supply.

The structural surplus narrative has so far failed to cap prices meaningfully, as a weaker US dollar, geopolitical uncertainty, and rising energy costs, particularly higher natural gas prices in Europe and the US, have continued to support sentiment. These factors have increased overseas smelting costs, helping sustain zinc prices at elevated levels even as physical demand remains seasonally weak.

The current price zone is beginning to raise caution. The LME 3M zinc forward hovering above \$3,300/mt has historically proven difficult to sustain. Each previous move above this level has been followed by a swift correction back toward the \$3,200–3,250/mt zone. As of 8:20 AM IST, the 3M contract is trading near \$3,320/mt, down about 0.6% from the previous close, suggesting early signs of fatigue. While momentum indicators remain positive and open interest has continued to rise, price action near recent highs points to increased volatility and the likelihood of profit-taking emerging at higher levels.

Overall, zinc continues to trade more as a macro-driven metal than a fundamentally tight one. In the near term, prices are expected to fluctuate at elevated levels, but sustained upside beyond \$3,350–3,400/mt will likely require either a sharper supply disruption or a clear post-holiday recovery in consumption. Absent these triggers, rallies from current levels may attract selling pressure, reinforcing the market's tendency to revert back toward its recent trading range.

### Spread Analysis

(USD/MT)	Spread	
	26-Jan	23-Jan
LME Cash -3M	-27.0	-33.0
LME 1st - 2nd	-12.0	-13.0
LME 3M - SHFE 1st	-208.2	-261.9
LME 3M - MCX 1st	-96.1	-178.1
SHFE 1st - 2nd*	-65.0	-35.0
MCX 1st - 2nd*	-2.2	-2.2

Negative=Contango; Positive= Backwardation

### Exchange Inventory

Exchange Inventory (MT)				
LME	26-Jan	23-Jan	Change	YTD Chg.
	111325	111500	-175	3700
MCX	25-Jan	24-Jan	Change	YTD Chg.
	660.09	660.09	0	-1065
SHFE	23-Jan	16-Jan	Change	YTD Chg.
	73151	76311	-3160	3358

### Arbitrage Window

Arbitrage Windows		
	Price	Import
SHFE Price	24695	24695
LME 3M FWD Price	3343.00	
USDCNY	6.9540	23247
Import Cost (15%)	3487.08	26734
<b>Arbitrage Ratio (LME vs SHFE)</b>		<b>0.9237</b>

**\*Import Cost** Includes VAT (13%), import duty (~1%), port fees, shipping cost, and sometimes a physical premium

*If the Arbitrage Ratio >1, imports are Profitable and the arbitrage window is open*

*If the Arbitrage Ratio < 1, imports are non-profitable and the arbitrage window is closed*

### Currency Price Table:

	26-Jan	23-Jan	% Change
USDINR	91.958	91.958	0.00%
USDCNY	6.9540	6.9630	-0.13%
ICE Dollar Index	97.04	97.60	-0.57%
USDINR 12M FWD	94.220	94.250	-0.03%

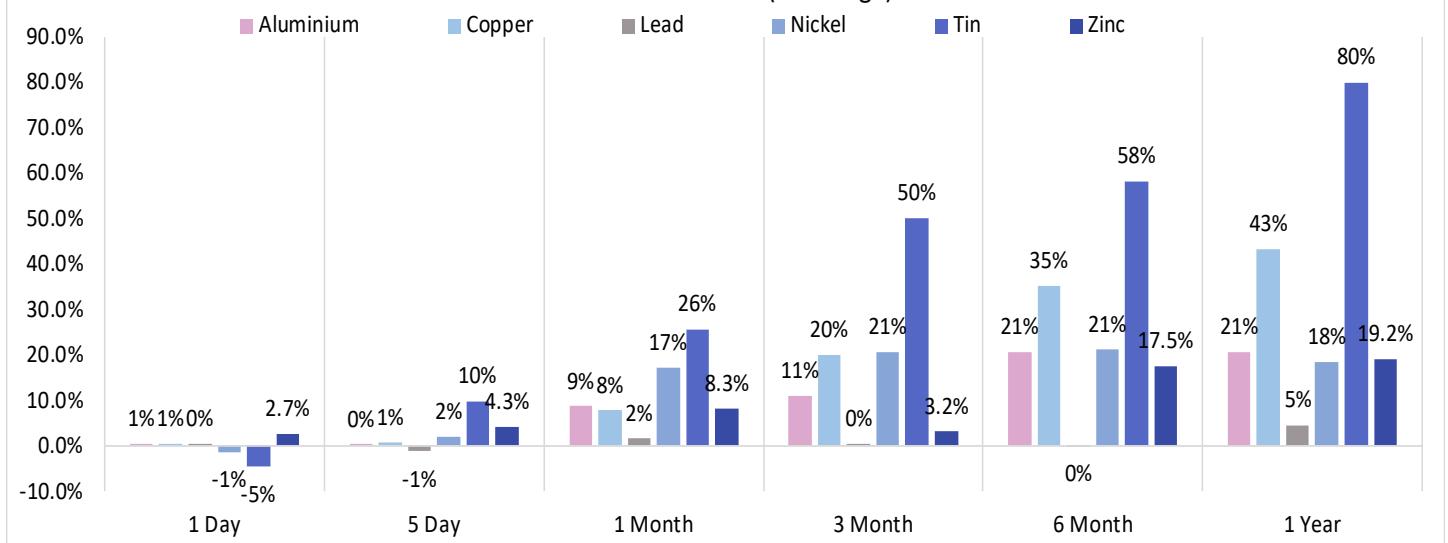
Source: Bloomberg, Bluglance

## Relative Returns

### LME Cash Zinc Relative Returns vs LME Spot Metals (% Difference)

	1 Day	5 Day	1 Month	3 Month	6 Month	1 Year
Aluminium	2.23%	4.06%	-0.44%	-7.93%	-3.13%	-1.61%
Copper	2.13%	3.56%	0.53%	-16.83%	-17.59%	-24.19%
Lead	2.33%	5.47%	6.61%	2.73%	17.58%	14.56%
Nickel	4.03%	2.19%	-8.82%	-17.53%	-3.63%	0.74%
Tin	7.30%	-5.56%	-17.43%	-46.99%	-40.68%	-60.81%

### Price Performance (% Change)



### Technical Analysis:



### Technical Support & Resistance:

	Close	Pivot	Support2	Support1	Resi.1	Resi. 2
LME Cash (USD/MT)	3316	3325	3323	3319	3321	3327
LME 3M FWD (USD/MT)	3343	3327	3219	3281	3389	3435
LME Fut. (USD/MT)	3329	3322	3254	3291	3359	3390
SHFE Fut. (CNY/MT)	24695	24688	24448	24572	24812	24928
MCX Fut. (INR/KG)	316.3	317.0	313.9	315.1	318.1	320.0

### Economic Calendar

Country	Event	Period	Survey	Prior
China	Industrial Profits YoY	Dec	--	-13.10%
US	Richmond Fed Manufact. Index	Jan	-5	-7
US	Conf. Board Consumer Confidence	Jan	90.6	89.1
US	Dallas Fed Services Activity	Jan	--	-3.3

Source: Bloomberg, Bluglance

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