BLUGLANCE™

11-Sep-26

GLOBAL ZINC MARKET PULSE

Global Zinc Market:

A product of Bluglance Consulting

Prices, Spreads, Premiums & Strategies

Daily Report

www.bluglance.com

Zinc Price Table

	Open	High	Low	Close	% Change	5 Day % Change	YTD % Change
LME Cash (USD/MT)	4105	4105	4015	4015	-4.50%	-0.91%	30.28%
LME 3M FWD (USD/MT)	4058	4065	3851	3892	-3.97%	-0.51%	24.84%
LME Fut. (USD/MT)	4185	4185	3975	4015	-4.31%	0.10%	29.79%
SHFE Fut. (CNY/MT)	27700	27875	27350	27695	0.98%	3.59%	19.12%
MCX Fut. (INR/KG)	427.00	429.95	414.65	415.15	-3.24%	0.07%	34.99%

Zinc Slips Below $4,000 as Market Momentum Turns

LME Zinc opened at USD 4,058/MT yesterday and traded in a wide USD 3,851–4,065/MT range before closing at USD 3,892/MT. Zinc is currently around USD 3,906/MT, down 0.36%, and has moved back below the psychologically important USD 4,000/MT level.

The sharp reversal from the day's high marks a clear change in momentum. After sustaining above $4,000 earlier in the week, Zinc's close near the lower end of yesterday's range suggests that the market is reassessing the strength of the recent rally.

The cancelled warrant ratio currently stands at around 25%, compared with a recent high of 31% on 1 September. The ratio has broadly remained within the 20–30% range, suggesting that withdrawal pressure has not strengthened further.

Looking across markets, MCX Zinc is at a premium to both LME Cash and SHFE Futures, making the domestic premium worth watching as international Zinc prices move back below USD 4,000/MT.

Fund Positioning Remains Supportive: LME fund positioning remained positive this week, with longs rising 4% to 124,731 tonnes and shorts increasing 5% to 62,079 tonnes, leaving the net long position higher.

Continued fund buying has therefore provided an additional layer of support to Zinc's recent rally, although the elevated positioning means the pace of fresh buying will be important for sustaining this momentum in the coming weeks.

Macro Backdrop Turns Less Supportive: US PPI added pressure to the metals complex, with August producer inflation rising 0.4% MoM and annual inflation accelerating to 5.4% from 4.8%. Initial jobless claims came in at 206K, broadly in line with expectations. The firmer inflation reading supported the Dollar and Treasury yields, adding pressure to Zinc after its recent reversal.

The key event today is US CPI at 18:00 IST. A softer reading could support metals, while a firm number could keep pressure on Zinc.

Overall View: We expect heightened volatility in zinc following yesterday's sharp fall of over 5%. However, despite the recent drawdown of around 1.3% for the week, the metal has not yet reversed its underlying trend.

We expect the structure to turn sideways only on a decisive break below 3,840.

Until then, zinc could remain within the 3,840–4,000 range, with volatility likely to remain elevated.

Exchange Inventory

Exchange Inventory (MT)					
LME	10-Sep	09-Sep	Change	MTD Chg.	YTD Chg.
	111350	115675	-4325	13400	3725
MCX	09-Sep	08-Sep	Change	MTD Chg.	YTD Chg.
	62	57	5	-120	-1663
SHFE	04-Sep	28-Aug	Change	MTD Chg.	YTD Chg.
	148661	153669	-5008	-5008	78868
Total	**260073**	**269401**	**-9328**	**8272**	**80930**

Ratio Analysis

	Commodity	10-Sep	31-Dec	% Change
Mining Resources	Zinc	3892	3118	24.8%
	Lead	1901	2011	-5.5%
	Zinc/Lead	2.05	1.55	
Macro Relation	Zinc	3892	3118	24.8%
	Silver	63.60	71.66	-11.2%
	Copper/ Lead	61.19	43.50	

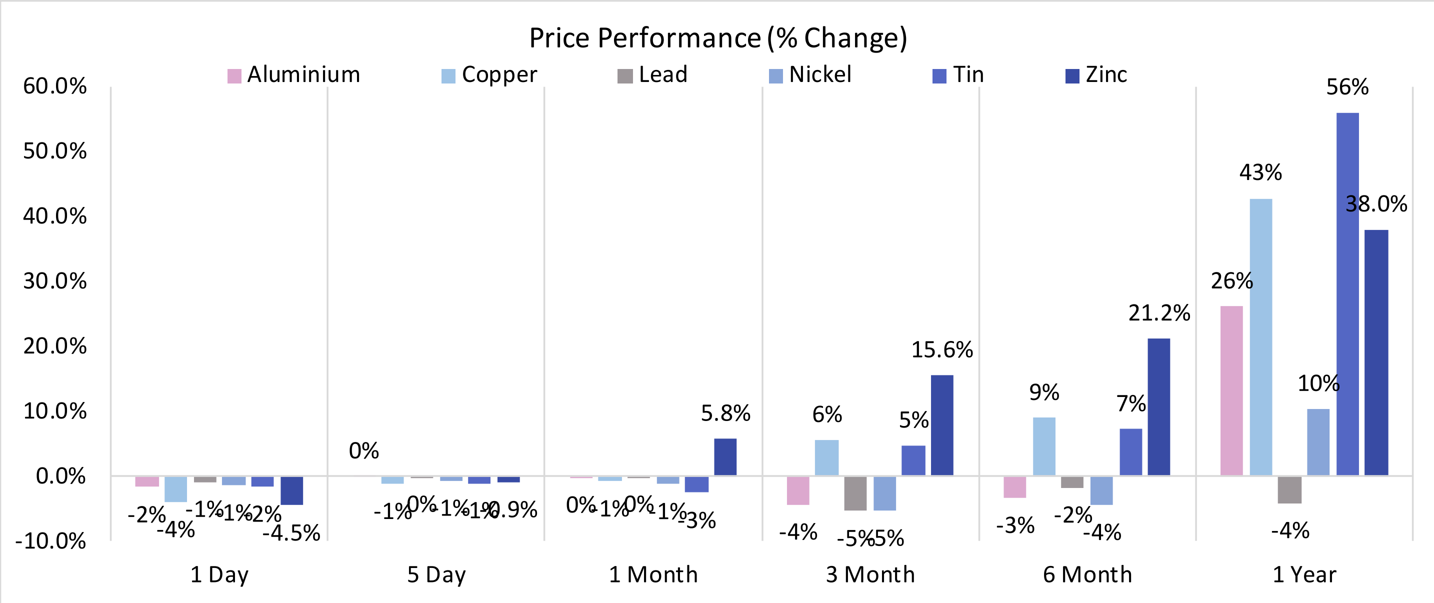
Spread Analysis

Contract	Price (USD/MT)			
LME Cash	4015			
SHFE Future	4126	**-411**		
MCX Future	4349		**131**	
LME Zinc Futures				
Contract	**Price (USD/MT)**	**Change (%)**	**Spread**	**Annu. Carry %**
Near	4015	-4.31%	**-72.00**	**-21.82**
Next	3943	-4.11%		
SHFE Zinc Futures				
Contract	**Price (CNY/MT)**	**Change (%)**	**Spread**	**Annu. Carry %**
Near	27695	0.98%	**-45**	**-1.98**
Next	27650	0.60%		
Far	27665	0.53%	**-30**	**-0.66**
MCX Zinc Futures				
Contract	**Price (₹/kg)**	**Change (%)**	**Spread**	**Annu.Carry %**
Near	415.15	-3.24%	**-8.50**	**-24.91**
Next	406.65	-3.22%		
Far	405.85	-1.33%	**-9.30**	**-13.63**

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

Source: Bloomberg, Bluglance

Price Performance

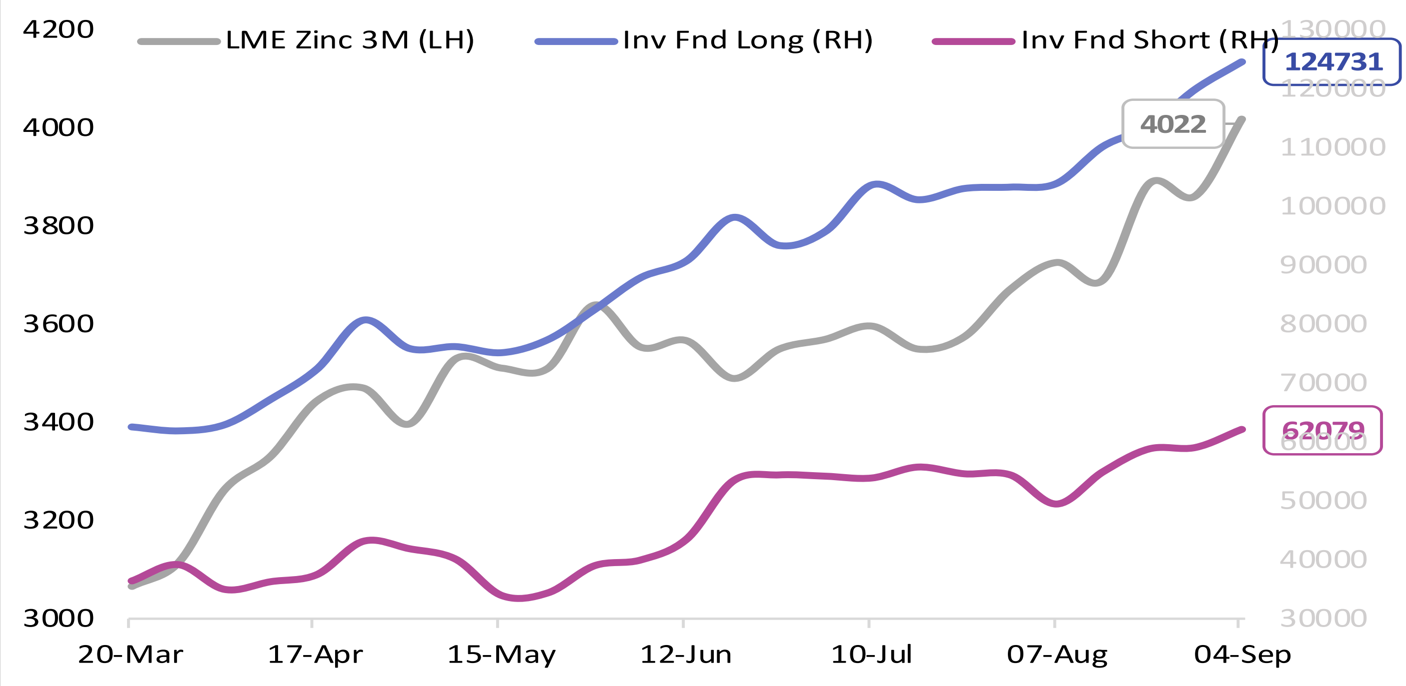


Technical Analysis:

Technical Support & Resistance:

	Close	Pivot	Support2	Support1	Resi.1	Resi. 2
LME Cash (USD/MT)	4015	4045	3955	3985	4075	4135
LME 3M FWD (USD/MT)	3892	3936	3722	3807	4021	4150
LME Fut. (USD/MT)	4015	4058	3848	3932	4142	4268
SHFE Fut. (CNY/MT)	27695	27640	27115	27405	27930	28165
MCX Fut. (INR/KG)	415.2	419.9	404.6	409.9	425.2	435.2

Commitment of Traders Report



COTR Update: **Investment fund longs rose 4,667.72t to 124,731.26t, shorts up 3,067.46t to 62,079.31t. WOW: longs +4%, shorts +5%. YTD: longs +92.31%, shorts +53.86%, with the net long position continuing to widen as bullish conviction in zinc strengthens.**

Economic Events						
Time	**Country**	**Relevance**	**Event**	**Period**	**Survey**	**Prior**
11:30	UK		Industrial Production YoY	Jul	0.20%	-0.20%
11:30	UK		Manufacturing Production YoY	Jul	2.00%	0.50%
11:30	UK		Trade Balance GBP/Mn	Jul	-£5150m	-£5537m
18:00	US		CPI YoY	Aug	3.40%	3.40%
18:00	US		Core CPI YoY	Aug	2.40%	2.50%
19:30	US		U. of Mich. Sentiment	Sep P	51	51.7

Source: Bloomberg, Bluglance