BLUGLANCE™

12-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)	3821	3822	3798	3798	0.08%	1.82%	23.24%
LME 3M FWD (USD/MT)	3737	3752	3709	3729	-0.24%	1.50%	19.62%
LME Fut. (USD/MT)	3764	3825	3764	3801	0.08%	1.79%	22.87%
SHFE Fut. (CNY/MT)	25570	25730	25480	25605	0.39%	1.53%	10.13%
MCX Fut. (INR/KG)	393.95	395.50	392.50	393.35	-0.10%	1.52%	27.90%

Zinc LME 3-Month, LME Select is indicating trading around $3,748/MT this morning. In the previous session on Tuesday, it opened at $3,737/MT, traded within a range of $3,709 to $3,752/MT, and closed at $3,729/MT, down 0.24%. LME Cash closed the previous session at $3,798/MT, up 0.08%.

LME Cash-3M spread stands at +69.78, widening further from +57.24 the previous session, extending the backwardation trend and reinforcing the tightness on the nearby end of the curve.

LME inventory stands at 97,075 MT, down 50 MT from 97,125 MT on 10 August. Combined exchange inventory across LME, MCX and SHFE totals 249,058 MT, up marginally by 39 MT on the day, though still up 69,915 MT YTD.

Zinc remains structurally tight on the LME and vulnerable to further producer outages, while higher Chinese refined output and improving export economics remain the main potential relief valve for the tighter ex-China market.

The 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.

Macro Watch: Oil prices remain volatile as uncertainty over the Strait of Hormuz continues, with Iran yet to agree to reopen the route. However, reports that the US and Iran are close to an arrangement could limit further upside in crude.

Attention now shifts to today's US CPI, which could influence expectations for the September Fed decision. While markets expect inflation to remain moderate, Goldman Sachs sees a possibility of a softer-than-consensus reading, while HSBC expects a moderate outcome. With recent weak labour market data already reducing expectations for a September rate hike, a softer CPI could further support a dovish outlook, while a hotter print could revive rate-hike expectations.

The US Dollar Index is trading around 99.86, while cautious equity markets and firmer Gold and Silver point to a relatively defensive tone.

Today's Watch

- US CPI YoY (Jul): Forecast 3.40%, Prior 3.50% (18:00 IST)
- US Core CPI (MoM) (Jul): Forecast 0.20%, Prior 0.00% (18:00 IST)
- US Core CPI YoY (Jul): Forecast 2.50%, Prior 2.60%
- US Federal Budget Balance (Jul): Forecast -$383.0b, Prior -$291.1b (23:30 IST)

Outlook: Zinc remains fundamentally supported by firm backwardation, declining LME inventories and stronger fund positioning, while higher Chinese output could provide some relief. Technically, support remains at USD 3,630/MT and resistance at USD 3,800/MT, with today's US CPI as the key near-term catalyst.

Bias: Bullish

Exchange Inventory

Exchange Inventory (MT)				
LME	11-Aug	10-Aug	Change	YTD Chg.
	97075	97125	-50	-10550
MCX	10-Aug	09-Aug	Change	YTD Chg.
	326	364	-38	-1399
SHFE	07-Aug	31-Jul	Change	YTD Chg.
	151657	151530	127	81864
Total	**249058**	**249019**	**39**	**69915**

Ratio Analysis

	Commodity	11-Aug	31-Dec	% Change
Mining Resources	Zinc	3729	3118	19.6%
	Lead	1907	2011	-5.2%
	Zinc/Lead	1.96	1.55	
Macro Relation	Zinc	3729	3118	19.6%
	Silver	64.68	71.66	-9.7%
	Copper/ Lead	57.65	43.50	

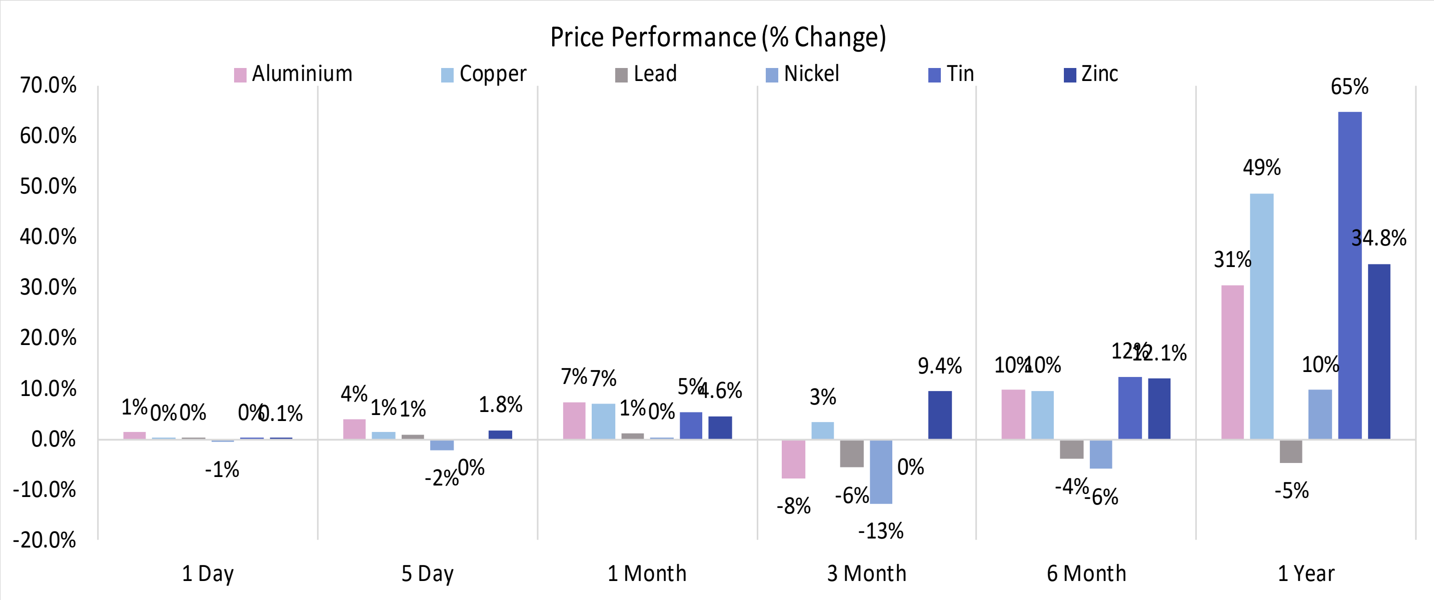
Spread Analysis

Contract	Price (USD/MT)			
LME Cash	3798			
SHFE Future	3796	**-496**		
MCX Future	4121		**120**	
LME Zinc Futures				
Contract	**Price (USD/MT)**	**Change (%)**	**Spread**	**Annu. Carry %**
Near	3801	0.08%	**-63.00**	**-20.17**
Next	3738	-0.13%		
SHFE Zinc Futures				
Contract	**Price (CNY/MT)**	**Change (%)**	**Spread**	**Annu. Carry %**
Near	25605	0.39%	**5**	**0.24**
Next	25610	0.20%		
Far	25670	0.27%	**65**	**1.54**
MCX Zinc Futures				
Contract	**Price (₹/kg)**	**Change (%)**	**Spread**	**Annu.Carry %**
Near	393.35	-0.10%	**-5.85**	**-18.09**
Next	387.50	-0.03%		
Far	382.90	0.10%	**-10.45**	**-16.16**

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)	3798	3806	3782	3790	3814	3830
LME 3M FWD (USD/MT)	3729	3730	3687	3708	3751	3773
LME Fut. (USD/MT)	3801	3797	3736	3768	3829	3858
SHFE Fut. (CNY/MT)	25605	25605	25355	25480	25730	25855
MCX Fut. (INR/KG)	393.4	393.8	390.8	392.1	395.1	396.8

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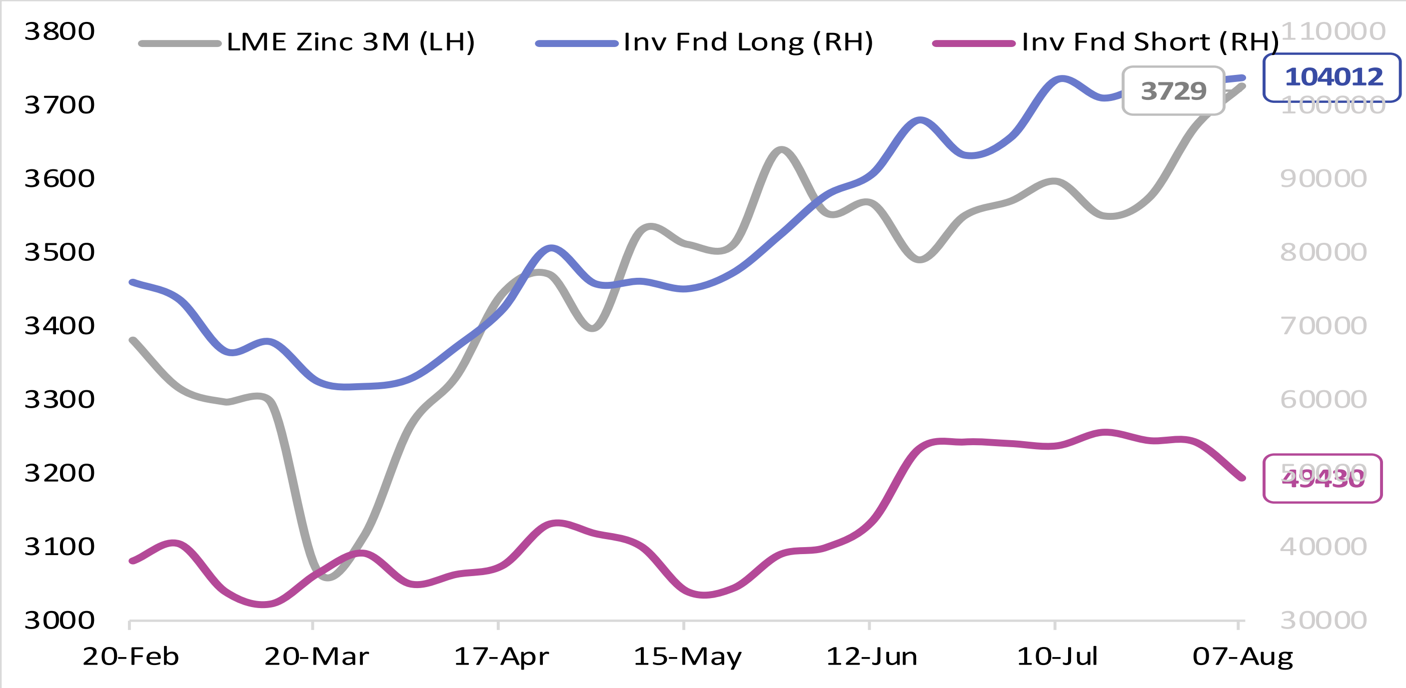
Commitment of Traders Report



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
16:00	India		CPI YoY	Jul	4.40%	4.38%
16:30	US		MBA Mortgage Applications	07-Aug	--	-2.90%
18:00	US		CPI YoY	Jul	3.40%	3.50%
18:00	US		Core CPI YoY	Jul	2.50%	2.60%
23:30	US		Federal Budget Balance	Jul	-$383.0b	-$291.1b

Source: Bloomberg, Bluglance