



Zinc: Strength in Every Surge

Ashish Katwa - Technical Analyst
Ashish.mkatwa@motilaloswal.com

Navneet Damani – Research Head
Navneet.damani@motilaloswal.com

Zinc Fundamental Update



- Zinc prices rose on optimism for potential stimulus measures in China to meet economic targets, fueling expectations for higher demand
- The PBoC cut MLF rates by 30 basis points and injected 300-billion-yuan worth of liquidity into the country's financial system
- On the supply side, Swedish miner Boliden delayed its Odda zinc smelter expansion in Norway, now expected to be completed in 2025, which may tighten future supplies
- The global zinc market surplus declined to 14,000 metric tons in July from 36,400 tons in June, ILZSG showed
- Additionally, China's refined zinc output dropped 10.3% in July due to heavy rainfall and maintenance disruptions
- Support from the PBoC's effort to stimulate its economy and further tightness in supply may continue to support zinc prices
- We continue to remain positive looking at the medium term prospects and suggest major corrections could be opportunities to buy for a target of 6-8% upside.

MCX Zinc Technical Update



- MCX Zinc on the daily chart has given a breakout of symmetrical triangle pattern and is moving in higher highs and higher lows formation which indicates bullish trend
- The 14- period RSI on daily chart has crossed above 60 mark which signals that counter is gaining strength
- We recommend to create long positions in the counter at Rs.278.50 and add on correction towards Rs.272, with stop loss below Rs.262 level on closing basis with expected targets towards Rs.295 and Rs.300 levels.

LME Copper Technical Update



- LME Zinc has given a breakout of trend line on the daily chart and is moving in higher highs and higher lows formation. Prices have been moving above 50 EMA on daily chart which is placed at \$2845 level
- The 14-period RSI on daily chart has climbed above 60 mark which signals strength in momentum on the higher side
- We recommend to create long positions in the counter at \$3060 and add further positions near \$2985 levels for upside targets of \$3240 and \$3295 levels. Our view will be negated if prices break below \$2865 level on closing basis.



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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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