

Pathfinder

Zinc: Accumulation to Expansion

Fundamental Update

- After historical gains from copper and aluminium, zinc has also begun its upward trajectory with prices trading ~4% higher MoM currently
- LME zinc inventories remain 5% lower YTD, hovering around 113,00 mt
- LME cancelled warrants experienced a significant surge of 27000 mt, indicating rise in planned physical withdrawals in Singapore and Kaohsiung
- Although, SHFE remains well supplied at 148000 tonnes, ~100% higher YTD
- Short-term availability remains constrained due to ongoing disruptions from previous mine closures and operational delays
- Although Iran's zinc concentrate production is ~1.6% of global output, its potential loss adds to global concentrate shortage, particularly for Chinese smelters
- Some shipments of zinc concentrates from the key export hub of Bandar Abbas to China were also halted
- In Europe, manufacturers have already imposed surcharges of ~30% to offset surging electricity costs caused by the suspension of Qatari LNG
- A preliminary US-Iran ceasefire and the reopening of the Strait of Hormuz have reduced market risk aversion and boosted sentiment for industrial metals
- China's manufacturing sector returned to expansion in March 2026, significantly lifting global demand expectations
- Dollar Index has also cooled off slightly from highs above 100, supporting metals
- Zinc is expected to trade more than 10% higher on emerging bullish factors with a strong technical setup

MCX Zinc Technical Update



- MCX Zinc on the weekly chart has convincingly given a Cup & Handle pattern breakout suggesting a fresh upward move.
- The trend of higher highs & higher lows over the past 3 weeks suggests further bullishness.
- Considering these technical factors, buying is advised at ₹330 with a stop-loss below ₹309 on a closing basis and target level around ₹380.

LME Zinc Technical Update



- LME Zinc on the weekly chart has successfully given a Symmetrical Triangle pattern breakout preceded by a retest indicating a fresh higher advance.
- Bullish trend with higher highs & higher lows during the past 3 weeks indicating additional bullishness.
- Considering these technical factors, buying is advised at \$3340 with a stop-loss below \$3100 on a closing basis and target level around \$3800.

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