

Pathfinder

Zinc Lift-Off

Fundamental Update

- Zinc prices have risen 23% YTD, largely due to unforeseen disruptions at key refining operations and deficit expectations
- Technical and operational challenges at Cajamarquilla refinery removed approximately 600,000 tonnes of refined zinc supply from the market
- An explosion at the Kazzinc processing complex in Kazakhstan further tightened global zinc supply conditions
- Together, these supply disruptions impacted an estimated 4–4.5% of worldwide refined zinc production
- Higher energy and sulphuric acid costs continued to weigh on smelter margins and profitability
- Zinc inventories on the LME remained relatively low, despite intermittent increases in stock levels
- However, elevated zinc inventories in China helped alleviate some concerns surrounding global supply shortages
- The International Lead and Zinc Study Group (ILZSG) anticipates a global refined zinc market deficit of 19,000 tonnes
- This tight market balance points to a steady tightening of fundamentals, driven by a projected 1.3% increase in global demand up to 14.00 million tonnes, outpacing total supply.
- Broad-based strength across the base metals market provided additional upward support to zinc prices
- Zinc is expected to trade higher on structural bullish factors along with a strong technical setup.

MCX Zinc Technical Update



- MCX Zinc has been trading in a higher highs and higher lows formation on daily chart which is signifying strength in price for short-term
- Recently the metal has given a breakout above the consolidation range and sustained closed above ₹372 is confirming further positive move
- Buying at ₹372 is recommended targeting ₹392 levels however our bias for the metal will negate if price breaks and closes below ₹362

LME Zinc Technical Update



- LME Zinc also trading in a higher highs and higher lows pattern confirming strength in price for short-term
- The metal has given a strong breakout above the consolidation range and now previous resistance \$3590 has turned as immediate support whereas major support is placed at \$3490
- Buying is recommended around \$3590 targeting \$3750 and majorly \$3815 mark, however our bias will be invalidated below \$3490 on daily closing basis

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