

London Zinc futures slipped last week but still trapped in a wide consolidation range. A firmer US Dollar and demand worries due to a new Corona led lockdowns in European Countries also weighed the sentiments.

## Global Economy.

- Most of the global equities were seen steady. U.S. stocks called new with marginal gains, European peers were also broadly up, while China's SSE composite index gained near to 2.00 %. While, Indian benchmark index Sensex advanced with a mark of 2.08 Up.
- International Monetary Fund expressed more optimism about global growth this year, but has reiterated there is still "high uncertainty" ahead.
- US Consumer Confidence hits one year high, which acknowledged that consumers fairly upbeat about the labour market driven by more fiscal stimulus and improving public health situation.

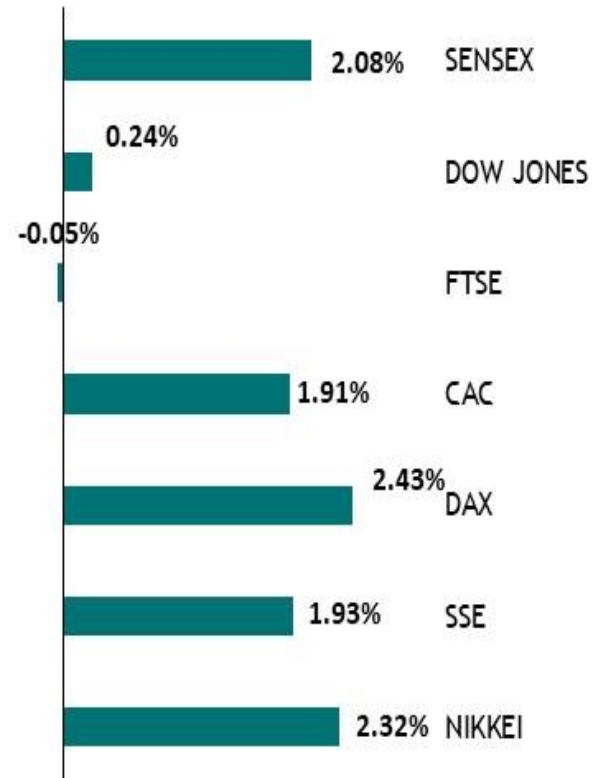
## Currencies

- U.S. Dollar index gained near to five month highs on previous week, and settled above 93 mark against the basket of currencies.
- Euro slipped lower by 0.29 percent against dollar last week. Chinese Yuan corrected down by 0.36 percent, while Japanese Yen slipped near to a percent against greenback.
- Indian Rupee shed more than 1.00 percent and rested at 73.37 in previous week.

## Zinc

- LME Zinc closed lower shedding 1.98 percent last week. SHFE Zinc advanced more than 0.50 percent.
- In MCX, Zinc near month futures slipped 0.66 percent last week.
- The zinc inventory levels declined LME and SHFE warehouses.
- Cash over three month forward futures premium on LME Zinc is contango at \$17.35 per MT.

## Indices



## Currency

Currencies	Close	WoW % Chg
Dollar Index Spot	93.022	0.28%
Euro/US Dollar	1.1762	-0.29%
US Dollar/ Japanese Yen	110.71	-0.97%
US Dollar/ Indian Rupee	73.37	-1.04%
US Dollar/ Chinese Yuan	6.5646	-0.36%

\*Currency rates mentioned above are as on Monday 14:50 IST

## Key Data/Events for the week

Day	Data/Events
Monday	Holiday For Chinese Markets
Monday	US Factory Orders
Wednesday	US FOMC Meeting Minutes
Thursday	US Fed Chairman Speech
Friday	Chinese Inflation

## Zinc prices steadied near yearly highs

On Major markets Zinc prices have been in congestion, although demand improvement in top consumer China as the traditionally peak season is nearing continue to support prices.

LME Zinc futures plunged 1.98 percent last week to \$2774.5 per metric last week. China's SHFE Zinc prices gained on domestic demand by 0.51 percent last week and closed at CNY 21570 per metric tonne. While on MCX platform, Zinc Jan futures prices slipped marginally by 0.66 percent last week and closed at Rs. 218,39 per kilogram on last trading day of previous week

Recent data revealed that social inventories of refined zinc ingots across China's Shanghai Tianjin Guangdong Jiangsu Zhejiang Shandong and Hebei decreased 5700 mt from March 26 to 242300 mt as of March 29.

Official data also showed that zinc concentrate imports in the first two months of 2021 declined 1.8% from a year earlier to 679,758 tonnes, while refined zinc imports jumped 60.15% to 87,345 tonnes.

Meanwhile, zinc production in January and February combined rose 2.8% year-on-year to 1.08 million tonnes, Chinese official data showed.

## Global Zinc market surplus shrank in January - ILZSG

The global zinc market was oversupplied by 11,700 tonnes in January after a revised surplus of 23,500 tonnes in December, the International Lead and Zinc Study Group (ILZSG) showed. For 2020, the surplus in the roughly 13.5 million tonne a year market was 536,000 tonnes according to the ILZSG.

## Warehouse stock level

The Zinc inventory levels in LME registered warehouses decreased to 270500 MT. The inventory level in China's SHFE registered warehouses dipped as well by 5341 MT last week and totalled 113125 MT.

## Global Market Prices

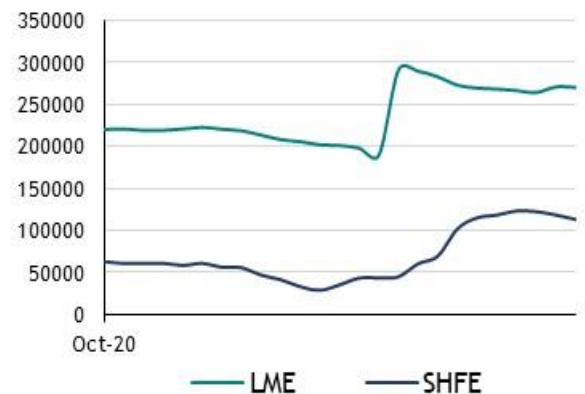
Exchanges	Close Price	WoW% Chg	YoY % Chg
LME	2774.5 (\$/MT)	-1.98%	43.05%
SHFE	21570(CNY/MT)	0.51%	31.96%
MCX	218.30(Rs/Kg)	-0.66%	43.15%

\*Near Month Futures Contracts in MCX/ SHFE/COMEX  
\*Three Month Forward Futures Contracts in LME  
\*Prices mentioned above are closing rates as on Friday

## Warehouse Stock Details

Exchanges	Stocks in MT	WoW Chg	YoY % Chg
LME	270500	-550	-0.20%
SHFE	113125	-5341	-4.51%

## Stocks in Metric Tonnes



**Outlook :** Prices continue to consolidate in the immediate future, but it may gradually gain momentum on expectations over increased physical demand from top consuming countries.

**LME:** Inability to break \$3000 expect corrective selling immediately but it likely to hold the support of \$ 2590 and turn higher later.

**MCX:** Prices needs to break and stabilize above 226 to continue bullish outlook in the counter. Else, there are chances of selling pressure but stiff support is seen at 184.

## Trading Outlook

	LME 3M Futures	MCX Apr
Weekly View	RANGE BOUND	RANGE BOUND
Short Term View	POSITIVE	POSITIVE
Technical Levels		
Trading Range	\$2980-2520	Rs 232-180
Resistance 1	2820	222
Resistance 2	2940	227
Resistance 3	2980	236
Pivot	2750	220
Support 1	2680	216
Support 2	2590	208
Support 3	2480	184

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