

Zinc

Technical outlook-

- As per daily chart zinc is seeking support at 84.50 on lower side. And is making higher bottoms. Zinc over all trend is bullish. On chart zinc has already given break out above 83 level. There is more of a chance that we may see bounce from support level.
- On chart 50 days SMA is working as support in zinc and it is trading below 27 days SMA therefore in short term zinc can touch 87-88 levels.
- RSI and MACD are looking over bought and already given selling signal.
- Therefore after a small correction trader may go long in zinc at 86-87 with target of 95 and above. But be prepared for locking in gains or cutting losses quickly if we see prices slide below support level of 84.50.



Fundamental outlook-

- Zinc is the fourth widely used metal after steel, aluminum and copper in the world. Mainly used for galvanizing steel, zinc is also used in alloys, batteries, rubber, paint, electroplating metal spraying and several other sectors. Factors Influencing Zinc Market -Changes in, inventory level at LME warehouses ,Economic growth rate of major consuming countries ,Global growth and demand in major consuming industries ,Prices of the alternative metal(s) ,Participation of funds

World market review –

- As the dollar recovered from lower level after continue falling from last one month therefore in base metal we can see profit booking from higher level.
- China is the big consumer of zinc, Huludao a biggest zinc producing firm of china is planning to double its capacity in coming year. As china recently shutdown many unit of lead due to health concern now investor are expecting that government may shutdown some unit of zinc due to health concern . And this step can disturb supply of zinc and zinc's prices may also go up form here.
- Due to weak demand of metal, Belgium's Nyrstar, the world's biggest zinc producer has reduced it production capacity, but now said it would restart operations at its Balen plant in Belgium this month after a nine-month suspension due to weak demand.
- Nyrstar said it expected zinc production at the plant in north-eastern Belgium to restart during the fourth quarter of 2009, adding that it intended to produce at 70 percent of capacity.



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