



Zinc Technical Report

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Synopsis

This technical is looking at Zinc on different timeframes (Weekly, daily, intraday, and market profile). Our analysis is based on our interpretation of multiple timeframe Elliott wave cycles, alongside standard technical analysis.

The Technical is based purely on price and not fundamental analysis, it highlights the longer-term bull structure of the market.

We are really looking only at the near-term in this cycle, as it dates back to the late 19,80's! We are bullish with downside moves looking like they should be countertrend. Based on Fibonacci projection levels, alongside the Elliott wave cycle, one suspects that we will trade above the USD 3,584 level in the medium-term (see daily chart).

Trade Ideas

Trade: Buy March 2026 3300 Calls / Sell March 2026 3500 Calls

View: Moderately bullish, targeting a move towards USD 3,500

Rationale

Zinc remains technically bullish across all timeframes, with prices holding above key EMA support and within a long-term Elliott Wave uptrend that began in 2015. The market has formed a solid base generally trading between USD 2,800–3,050 over the past five years and a sustained break above USD 3,050 signals potential for an upside extension.

The weekly and daily Elliott structures both indicate the market is in a Wave 3 of 3, typically the most impulsive phase, with Fibonacci projections suggesting an eventual move above USD 3,584. While RSI and stochastic indicators are elevated, they point to momentum pauses rather than reversals, implying dips remain countertrend. In the event zinc does not reach 3,300, there is potential to roll this forward subject to liquidity and market conditions. There is also scope to roll the higher leg to extend bullish scope if the price moves towards 3,500.

Zinc Weekly Elliott Wave



Synopsis

Source Bloomberg

- Price is above the 34—55 period EMA's
- RSI is above 50 (57)
- Stochastic is overbought
- This longer-term bullish Elliott wave cycle has been in play since November 2015.
- The highest timeframe cycle looks to have entered a wave 5 in May 2023
- The upside move between May 2023 and October 2024 looks to have completed an upside move of 5-waves on the lower timeframe, creating a wave (1) within the wave (V).
- Based on the contract high being USD 4,896, on suspects that the current upside move illustrated on the daily and intraday timeframe will eventually become wave - I of the current wave (III). Highlighted in blue on the chart.
- We look to be on a bullish Elliott wave 3 on the weekly timeframe; if correct, then downside moves should in theory be countertrend.

Zinc Daily Technical (Logarithmic)



2022	2023		2024		2025		2026		
Support		Resistance		Current Price		Bull		Bear	
S1	2,864	R1	3,176	3,037	RSI above 50	Stochastic overbought			
S2	2,797	R2	3,355						
S3	2,707	R3	3,584						

Source Bloomberg

Synopsis - Intraday

- Price is above the 34-55 period EMA's
- The RSI above 50 (58)
- Stochastic is overbought
- The futures look to be in a higher timeframe Elliott wave 3; within this cycle we are on a lower timeframe bullish wave 3 of 3.
- Upside moves above the USD 3,080 high from October are likely to create a negative divergence with the RSI, not a sell signal it is warning that we could see a momentum slowdown in the near-term.
- Based on the move from the low in May 2023 (2,215), to the high in October 2024 (USD 3,284), Fibonacci projection levels indicate that we could target the 100% projection level at USD 3,584. We highlight this level as wave 3 cannot be the shortest wave within an Elliott wave cycle if it is bullish impulse, suggesting we should in theory trade above the USD 3,584.
- Downside moves within this cycle are considered as countertrend, making USD 2,707 the key support to follow. Below this level the probability of the futures trading to a new high will start to decrease.
- As highlighted on the weekly chart, the magnitude of the higher timeframe cycle suggests that ((5)) will become a higher timeframe 1.

Zinc Intraday Technical (4-hour)



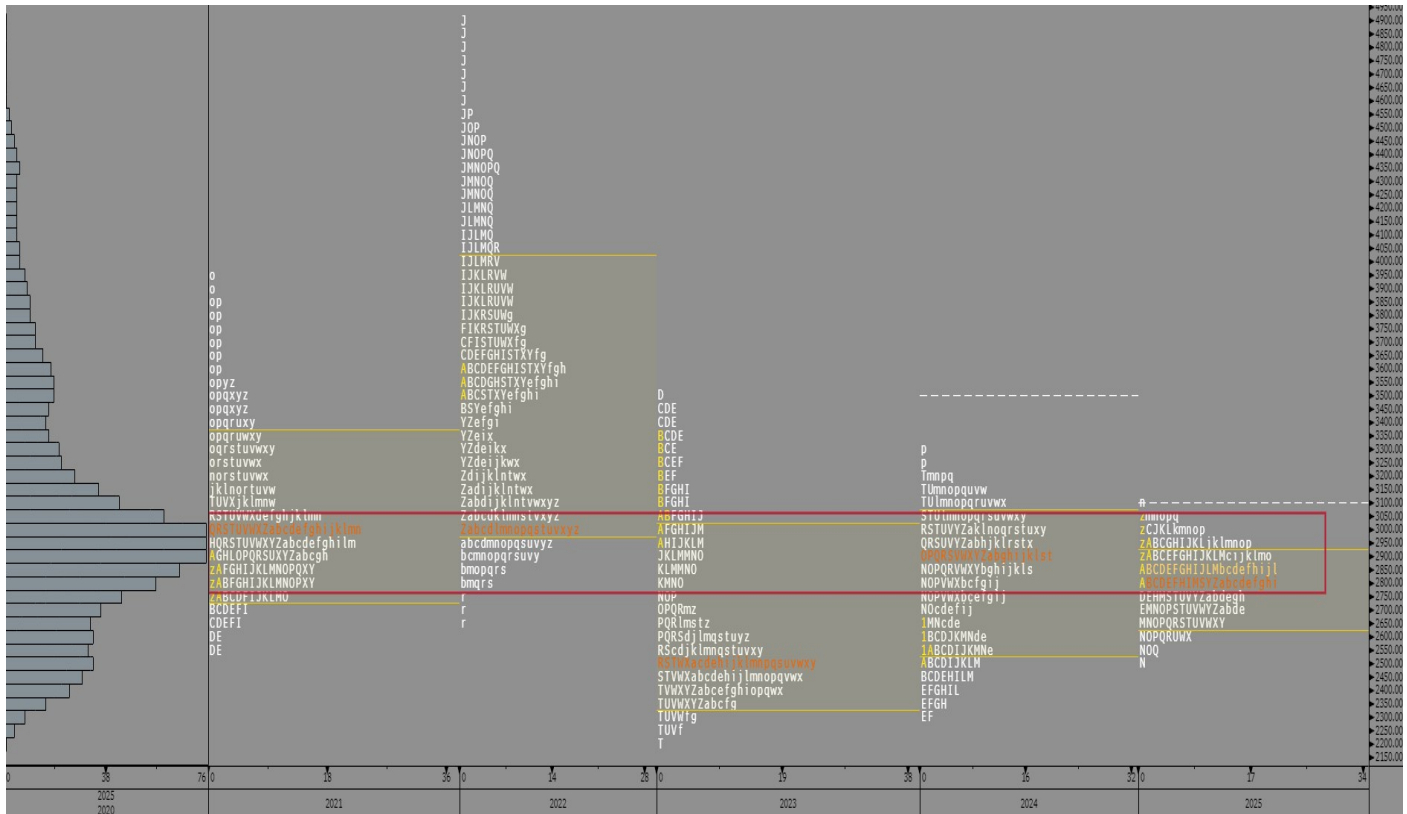
Support		Resistance		Current Price	Bull	Bear
S1	2,962	R1	3,102	3,036	RSI above 50	Stochastic overbought
S2	2,895	R2	3,161			
S3	2,836	R3	3,219			

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA support band (Black EMA's)
- RSI is above 50 (53)
- Stochastic is overbought
- We are looking at the lowest timeframe on the cycle, the intraday.
- Technically bullish, the upside move in recent days suggests that we look to have entered an Elliott wave (5) of the higher timeframe wave ((3)). Note: this is within the intraday timeframe, when we talk degrees of cycles, we are referring to the lower timeframe cycles.
- Upside moves above USD 3,080 have a potential upside target at USD 3,219 for this phase of the cycle. However, above USD 3,080 the futures will be in divergence on both the intraday and daily technical. Not a sell signal, it warns we could see a momentum slow-down, which will need to be monitored.
- If we trade below the USD 2,962 support before trading above the USD 3,080 level, it will suggest that we remain in the corrective Elliott wave 4 (countertrend).
- As noted on the daily chart, with the expectation that the higher timeframe wave 3 should trade above the 100% projection (USD 3,584), we suspect that once we eventually complete the wave ((5)), this cycle will jump to a higher timeframe wave I (within the wave 3).

Market Profile



Synopsis - Intraday

- The market profile chart (market picture on Bloomberg) is based on a monthly timeframe and illustrates the most heavily traded area over the last 5 years.
- This chart will have a closer relationship to the weekly Elliott wave cycle (chart 1).
- The futures are trading in the upper end of the congestion zone (highlighted by the red box). This area represents the highest traded/volume area in the last 5 years (USD 2,800—USD 3,050).
- This congestion zone has the potential to act as a base in the market. If we start to close and hold above the USD 3,050 level, it will warn that we could be looking at an upside breakout, leaving resistance levels vulnerable.