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MARKET ANALYSIS

Base Metals Price Move - 31st Aug to 04th Sep 2026								
Commodity	Exchange	Contract	High	Low	Close	PCP	Change	% Change
Copper	LME (USD/ Tonne)	3-M Forward	14441.5	14092	14415.5	14294	121.5	0.85%
	MCX (Rs/Kg)	30-Sep-26	1396	1361.1	1378.55	1391.35	-12.8	-0.92%
Lead	LME (USD/ Tonne)	3-M Forward	1920	1891.5	1908	1905.5	2.5	0.13%
	MCX (Rs/Kg)	30-Sep-26	198.35	195.05	196.35	197.75	-1.4	-0.71%
Zinc	LME (USD/ Tonne)	3-M Forward	3990	3840.5	3946	3883	63	1.62%
	MCX (Rs/Kg)	30-Sep-26	444.3	411.6	418.3	414.25	4.05	0.98%
Aluminium	LME (USD/ Tonne)	3-M Forward	3328.5	3232	3293.5	3242	51.5	1.59%
	MCX (Rs/Kg)	30-Sep-26	351	343.8	347.6	345.6	2	0.58%
Nickel	LME (USD/ Tonne)	3-M Forward	17020	16500	16846	16861	-15	-0.09%
	MCX (Rs/Kg)	30-Sep-26	1629	1600.2	1613.5	1623.4	-9.9	-0.61%

Source - Bloomberg

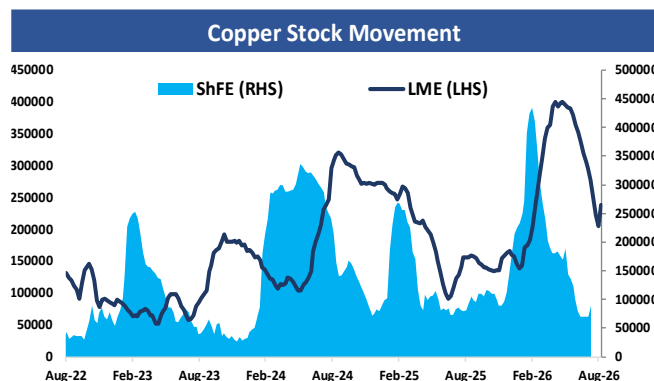
Copper and zinc remain supported by tight physical markets.

Copper- Copper remains close to record highs, with LME three-month prices around \$14,415/t and recorded a 10th consecutive weekly gain. The rally continues to draw support from declining inventories outside the US, with SHFE stocks falling 13% to 63,000 tonnes, while Chilean July output dropped 9.4% y/y. Looking ahead, the supply side should remain the primary anchor for prices. Global mine production fell 1.1% in H1 2026, as weaker output from Chile, Indonesia and the DRC more than offset gains elsewhere. With concentrate availability remaining constrained and further disruptions possible, expectations for a meaningful acceleration in mined supply appear increasingly difficult to sustain. However, the next phase of the rally is likely to become more dependent on inventory geography and trade flows than outright supply scarcity. Continued US-bound shipments ahead of potential tariffs are tightening availability across other markets, while the substantial build in US inventories represents a potential source of supply if trade policy changes. At the same time, easing LME spreads indicate that the earlier physical squeeze is moderating. Consequently, copper should retain a constructive medium-term bias, but the risk-reward is becoming more balanced at elevated price levels. The key variables ahead will be whether non-US inventories continue to decline, whether mine disruptions persist and how US tariff policy reshapes global flows. A sustained move higher will depend on tightening physical supply outweighing growing price sensitivity and broader macroeconomic risks. Trading range for the week is 1358 – 1396.

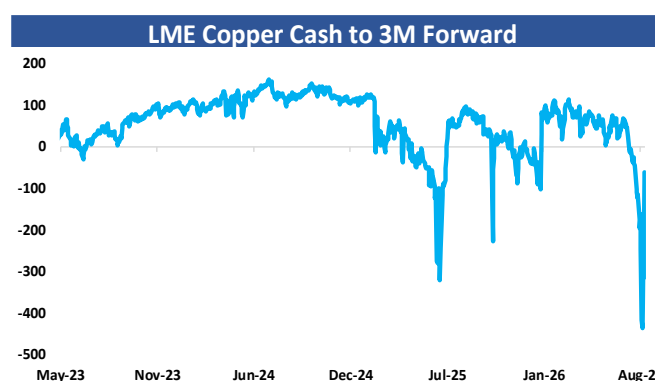
Zinc- Zinc extended its rally last week, settling at \$3,946/t and reaching its highest level since April 2022. The move continues to reflect a tightening market outside China, with low LME inventories, persistent backwardation and deeply negative treatment charges pointing to constrained concentrate availability. Rising Chinese inventories, however, are creating an increasingly important source of potential supply relief. Looking ahead, the key variable is whether Chinese exports can rebuild overseas inventories quickly enough to ease the physical squeeze. The widening China-West inventory gap and favourable arbitrage are encouraging refined zinc shipments into LME warehouses, which could gradually narrow backwardation and reduce the premium. However, with mine disruptions limiting concentrate availability and treatment charges at historically depressed levels, the ability of smelters to lift output meaningfully remains constrained. This leaves the market vulnerable to renewed upside if export flows fall short of expectations. The macro calendar could add volatility this week. US CPI and PPI will provide fresh signals on inflation and the Federal Reserve's rate path, while the ECB's rate decision will offer a read on European growth and monetary conditions. A stronger inflation print could reinforce higher-for-longer rate expectations and weigh on risk-sensitive metals, while softer data would improve the backdrop for zinc. Overall, the outlook remains positive, but the next move will depend on Chinese exports and whether LME inventories continue to rebuild. Tight concentrate supply and backwardation should keep prices supported unless physical availability improves significantly. Trading range for the week is 411 – 422.

Weekly Stock Change			LME Stock Change from		ShFE Stock Change from	
Exchange	LME	Shanghai	52-week High	52-week Low	52-week High	52-week Low
Copper	-0.04%	-13.02%	-27.03%	126.37%	-81.30%	90.16%
Aluminum	-0.89%	-6.84%	-78.26%	-42.00%	3.25%	277.39%
Lead	-3.51%	0.95%	-65.15%	254.17%	-79.10%	211.79%
Nickel	0.90%	-0.65%	-75.93%	319.56%	-68.46%	727.38%
Zinc	14.52%	-3.26%	-90.03%	-6.01%	-57.91%	625.21%

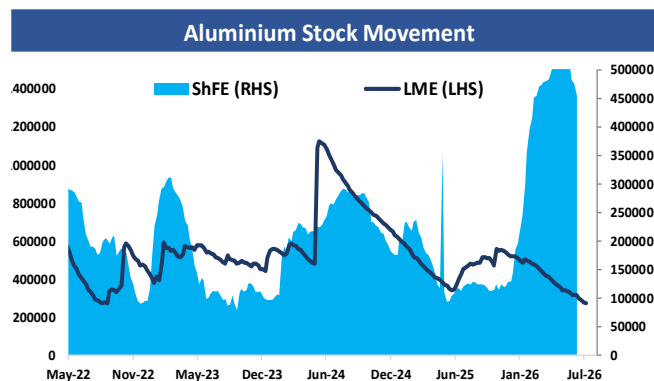
Source - Bloomberg, Kotak Neo Commodity Research



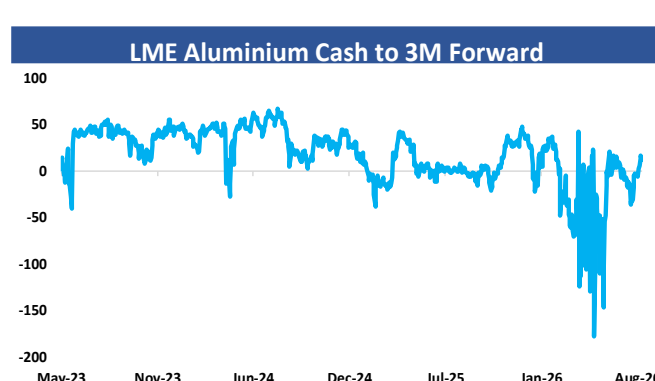
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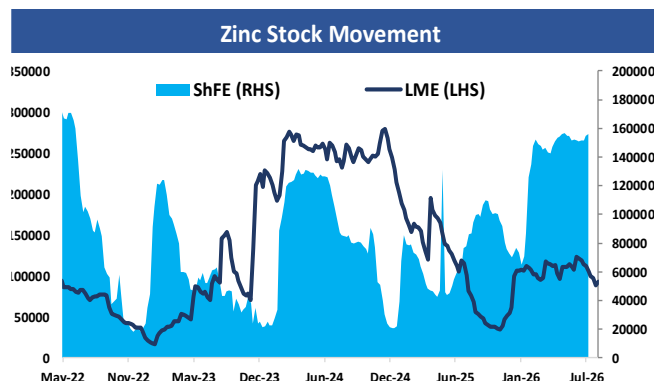
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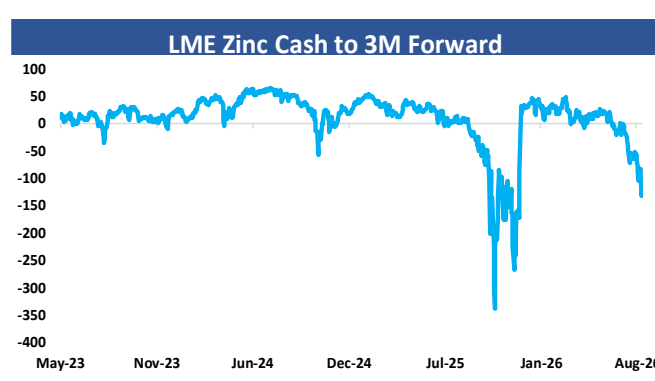
Source - Bloomberg, Kotak Neo Commodity Research



Source- Bloomberg, Kotak Neo Commodity Research



Source - Bloomberg, Kotak Neo Commodity Research



Source- Bloomberg, Kotak Neo Commodity Research

TECHNICAL OUTLOOK



Source:- Tradingview.com, KS Commodity Research

On the 4-H chart, MCX Copper Futures are experiencing a breakdown in momentum, with prices decisively breaching the crucial upward-sloping support trendline and slipping below the 20 EMA. While the contract continues to hold above its 200 EMA to keep broader structural support intact, the Supertrend indicator has flipped negative, signaling short-term weakness. Meanwhile, the RSI has retreated below the 50 mark, confirming increasing downward pressure and pointing to a sideways-to-bearish bias until the trendline is reclaimed. On the downside, the immediate key support level is now placed at 1358.90, followed by deeper structural support at 1349.50. Conversely, if buyers attempt a recovery and look to test the breakdown zone, immediate overhead resistance will be met at 1396.00, with a stronger secondary resistance barrier sitting at 1407.90. Overall, the technical outlook has shifted from bullish to sideways-to-bearish, and price action is expected to navigate this lower range until bulls manage a decisive breakout back above the broken trendline.



Source:- Tradingview.com, KS Commodity Research

On the 4-H chart, MCX Zinc Futures continue to exhibit a strong uptrend, with prices maintaining a solid bullish trajectory while consistently taking support from an ascending trendline. This positive technical structure is further reinforced as the contract trades comfortably above both its 20 EMA and 200 EMA, backed by a positive Supertrend indicator. Meanwhile, the RSI remains firmly above the 50 mark, confirming healthy upward momentum and suggesting that the bullish bias is poised to continue. On the downside, the nearest key support level is now placed at 411.20, followed by deeper structural support at 406.00. Conversely, as bulls maintain control along the rising trendline, immediate overhead resistance will be met at 422.05, with a stronger secondary resistance barrier sitting at 426.00. Overall, the technical outlook remains decidedly bullish, and price action is expected to navigate this higher trading range as long as the contract sustains above its ascending support trendline.

RATING SCALE FOR WEEKLY REPORT

BUY	We expect the commodity to deliver 2% or more returns
SELL	We expect the commodity to deliver (-2%) or more returns
SIDEWAYS	We expect the commodity to trade in the range of (+/-) 2%
NOTE - The recommendations are valid for one week from the date of issue of the report, subject to mentioned stop loss, if any	

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