Vishal Dalvi, CMT
vishaldalvi@wavesresearch.com

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Bottom line: *LME Lead and Zinc are on the verge of a Severe Breakdown.*

LME LEAD WEEKLY CHART

Outlook

LME Lead continues to trade within a broad range since last 2-3 years. The consolidation has taken a triangular pattern converging between trend lines. The chart clearly shows how the trend lines have acted as crucial support resistances in the past.

Currently prices have taken resistance near the upper end of this range and a move below looks likely. As per Elliott Wave Principle, the entire move looks corrective in nature and the rally since Mid-2013 is part of wave 'b' of 'Y'. On completion we should be headed lower now in the form of wave 'c' of 'Y of the larger correction W-X-Y.

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LME LEAD DAILY CHART

Outlook

On Daily Chart we can see how precisely we have a 5 wave decline followed by a 3 wave rally in the form of a-b-c with wave 'b' as a triangle. Ratio analysis shows that wave 'b' =61.8% of wave 'a' and the current rally wave '2' is also retraced 61.8% of wave '1'.

These are ideal levels to go short with a Risk Management levels of 2230$ on closing basis. In the larger picture we believe that the highs of 2290$ made in Dec 2013 end will be capped for most of the first half of the Year 2014.

Immediate targets for prices are at least of the recent low of 2095$. There are series of support zones between 2050-2000$ which has to be taken for prices to eventually head below the 2013 lows of 1940$.

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LME ZINC DAILY CHART

Outlook

Zinc again has a similar impulsive fall followed by a corrective rally. The high of 2108$ should cap for zinc where it completed the larger wave 'B' and we should head lower fiercely in the form of wave 'C'. Within the wave 'C' prices may have already completed wave '1' and '2' and we should commence the wave '3' down.

Short positions can be created in zinc at current market prices with 2108$ as the Risk Management level on closing basis.

Immediate targets for prices are at least of the recent low of 2006$. Below 2000$ prices should head lower towards 1977$ followed by 1950$.

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