

August 29, 2022

Daily Currency & Commodity Outlook

Daily Recommendation						
Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude oil	Sep	Sell	7410-7420	7310	7470	1 day
EURINR	Sep	Buy	80.30-80.31	80.60	80.10	1 day

Research Analysts

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Rishikesh Lilawat
rishikesh.lilawat@icicisecurities.com

Daily Currency Snapshot

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	108.83	108.45	0.35%
US\$INR	80.08	80.14	-0.07%
EURUSD	0.9964	0.9969	-0.05%
EURINR	80.34	80.25	0.11%
GBPUSD	1.1735	1.1827	-0.78%
GBPINR	94.84	94.96	-0.13%

Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Sep-22)	79.99	80.04	80.11	80.17	80.24
US\$INR (27th Oct-22)	80.21	80.26	80.32	80.37	80.42
EURINR (28th Sep-22)	79.86	79.99	80.08	80.22	80.31
EURINR (27th Oct-22)	80.26	80.39	80.48	80.62	80.71
GBPINR (28th Sep-22)	93.69	94.10	94.90	95.31	96.11
GBPINR (27th Oct-22)	94.57	94.72	95.01	95.16	95.44
JPYINR (28th Sep-22)	58.54	58.61	58.73	58.80	58.92
JPYINR (27th Oct-22)	58.73	58.84	59.06	59.17	59.40

- Rupee future maturing on September 28 appreciated on Friday amid weakness in crude oil prices. Further, the rupee was supported by foreign fund inflows
- The US dollar gained on Friday after Federal Reserve Chair Jerome Powell adopted a hawkish tone to battle inflation but did not settle the debate on how large a rate increase is likely at the US central bank's September meeting

- The Euro depreciated on Friday amid weak economic data from the euro area. The GfK Consumer Climate Indicator in Germany fell to a new record low of -36.5 heading into September of 2022 from a revised -30.9 in the prior month and worse than market forecasts of -31.8
- The pound dropped almost 0.80% on Friday on expectations that British energy bills will jump 80% to an average of £3,549 (\$4,188) a year from October, plunging millions of households into fuel poverty and businesses into jeopardy unless the government steps in

Follow-up

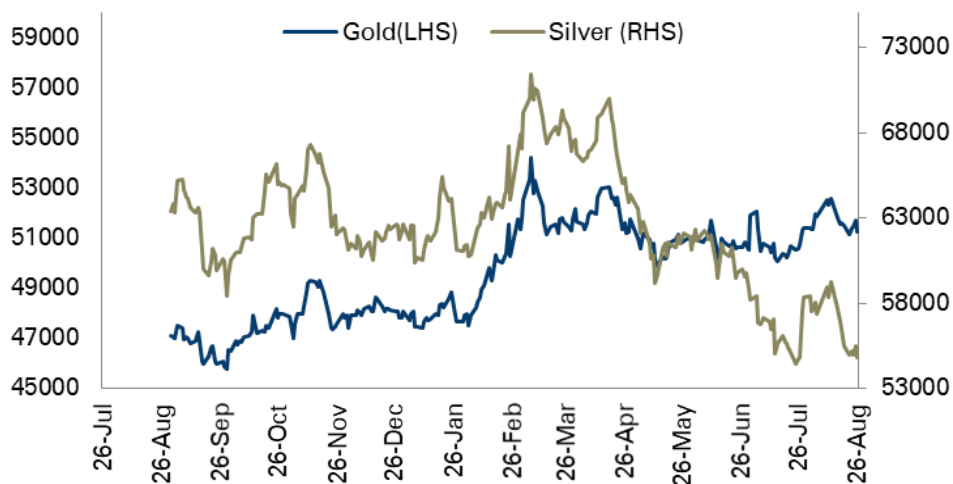
Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Copper	Sep	Buy	679.50-680	690	673.5	Exit in Loss
EURINR	Sep	Buy	80.30-80.31	80.60	80.10	Exit in Profit

Source: Bloomberg, Reuters, ICICI Direct Research

Bullion Outlook

- MCX gold prices edged lower by 0.90% on Friday after Mr Powell said the Fed will continue its hawkish monetary policy until inflation moderates to around 2% annually
- However, weak economic data from the US restricted further downside in bullion prices
- MCX gold prices are expected to trade with a negative bias for the day amid strong US dollar. MCX Gold prices likely to break the support of ₹ 51,150 to continue its downward trend towards the level of ₹ 50,900
- Additionally, silver prices will take cues from gold prices and are expected to trade towards the level of ₹ 54,000

MCX Gold vs Silver Performance



MCX Price Performance

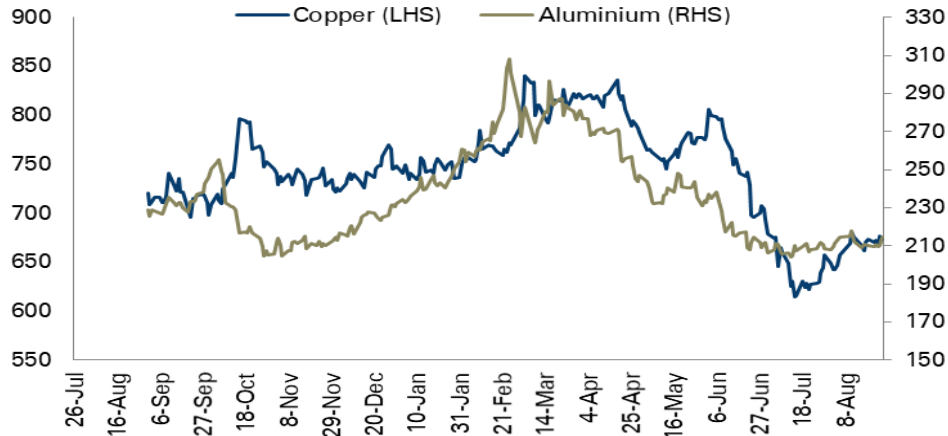
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	51234	-0.91%	1750.80	-1.16%
Silver	54816	-1.03%	18.78	-1.80%
MCXBULLDEX	14060	-0.82%	-	-
Copper	673.90	-0.24%	8137.50	0.10%
Aluminium	214.35	1.88%	2495.50	2.55%
Zinc	318.10	0.22%	3561.50	0.38%
Lead	182.40	0.77%	1985.50	0.48%
WTI Crude Oil	7415	-0.74%	92.97	0.49%
US Nat Gas	742.0	-0.47%	9.27	0.00%
MCXENRGDEX	10438	-0.31%	-	-

Daily Commodity Pivot Levels

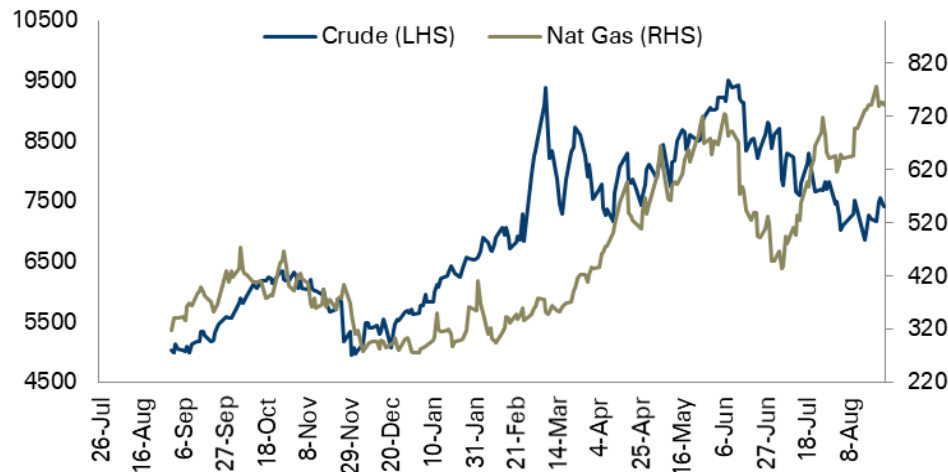
Commodity	S2	S1	Pivot	R1	R2
Gold	50781	51008	51346	51573	51911
Silver	53889	54352	55109	55572	56329
MCXBULLDEX	13935	13998	14093	14156	14251
Copper	669.0	671.4	676.0	678.5	683.1
Aluminium	208.9	211.6	213.4	216.1	217.8
Zinc	312.5	315.3	318.5	321.3	324.5
Lead	182.2	182.3	182.5	182.6	182.8
Crude Oil	7186	7300	7410	7524	7634
Nat Gas	715.9	729.0	751.5	764.6	787.1
MCXENRGDEX	10204	10321	10487	10604	10771

Source: Bloomberg, Reuters, ICICI Direct Research

MCX Copper vs. Aluminum Performance



MCX Crude Oil vs. Natural Gas Performance



Base Metal Outlook

- MCX copper prices eased on Friday after touching their highest in nearly two months after the head of the US Federal Reserve doubled down on more interest rate hikes and warned that it would be painful
- However, further downside was restricted by a drop in copper LME warehouse inventories
- MCX copper prices are expected to rise for the day amid continuous drop in copper LME warehouse inventories. It is likely to trade in the range of ₹ 677 to ₹ 687 in the coming session

Energy Outlook

- MCX crude oil prices tumbled by 0.75% on Friday as investors braced for the possible return to global markets of sanctioned Iranian oil exports
- Further, crude oil prices were pressurised on worries that rising US interest rates would weaken fuel demand
- We expect MCX crude oil prices to trade with a negative bias for the day as Chinese offshore oil and gas major CNOOC, expects its annual domestic crude oil production to reach 1.2 million barrels per day by 2025, 28% above its current level

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
ECB's Lane Speaks	EUR	6:30 PM	-	-	-	Medium
Fed Vice Chair Brainard Speaks	USD	11:45 PM	-	-	-	Medium

Pankaj Pandey Head – Research pankaj.pandey@icicisecurities.com
ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruti Trade Centre,
Road no.7, MIDC
Andheri (East)
Mumbai – 400 093
research@icicidirect.com



Source: Bloomberg, Reuters, ICICI Direct Research

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