

August 30, 2022

Daily Currency & Commodity Outlook

Daily Recommendation

Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural gas	Sep	Buy	749-749.50	764	739	1 day
EURINR	Sep	Buy	80.30-80.31	80.60	80.10	1 day

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Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	108.72	108.83	-0.10%
US\$INR	80.14	80.08	0.07%
EURUSD	1.0003	0.9964	0.39%
EURINR	80.14	80.34	-0.25%
GBPUSD	1.1710	1.1735	-0.21%
GBPINR	93.77	94.84	-1.13%

Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Sep-22)	79.95	80.05	80.20	80.29	80.44
US\$INR (27th Oct-22)	80.17	80.26	80.41	80.50	80.64
EURINR (28th Sep-22)	79.53	79.84	80.04	80.35	80.56
EURINR (27th Oct-22)	79.94	80.23	80.44	80.73	80.94
GBPINR (28th Sep-22)	93.28	93.53	93.81	94.05	94.33
GBPINR (27th Oct-22)	93.70	93.93	94.16	94.39	94.62
JPYINR (28th Sep-22)	57.67	57.84	58.06	58.23	58.45
JPYINR (27th Oct-22)	57.91	58.11	58.39	58.59	58.87

- Rupee future maturing on September 28 depreciated on Monday amid a rise in crude oil prices. Further, the rupee was pressurised by a sharp drop in domestic equities
- The US dollar traded flat after touching a fresh 20-year high on Monday despite hawkish comments by Federal Reserve Chair Jerome Powell. Mr Powell told the Jackson Hole central banking conference in Wyoming on Friday that the Fed would raise rates as high as needed

- The Euro appreciated by 0.30% as European Central Bank policymakers made the case on Saturday for a large interest rate hike next month as inflation remains uncomfortably high and the public may be losing trust in the bank's inflation fighting credentials
- The pound fell yesterday to its lowest level since March 2020 as mounting concerns about the economic outlook gave traders added reason to dump the currency. Further, a fresh downgrade of British economic forecasts from Goldman Sachs, added to the downbeat mood towards sterling

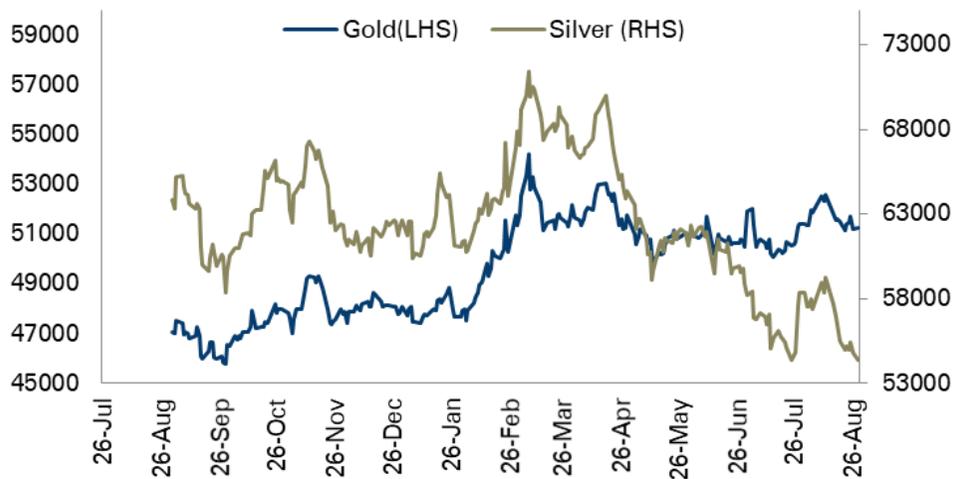
Follow-up

Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Crude oil	Sep	Sell	7410-7420	7310	7470	Stop loss Triggered
EURINR	Sep	Buy	80.30-80.31	80.60	80.10	Exit in Profit

Bullion Outlook

- MCX gold prices advanced yesterday amid weakness in the US dollar index
- Moreover, growing fears of a global economic slowdown supported bullion prices
- MCX gold prices are expected to trade with a positive bias for the day amid a weak US dollar. MCX Gold prices are likely to surpass the hurdle of ₹ 51,400 to continue its upward trend towards the level of ₹ 51,550 in coming sessions
- Additionally, investors will closely watch JOLT job openings and CB consumer confidence data from the US

MCX Gold vs Silver Performance



MCX Price Performance

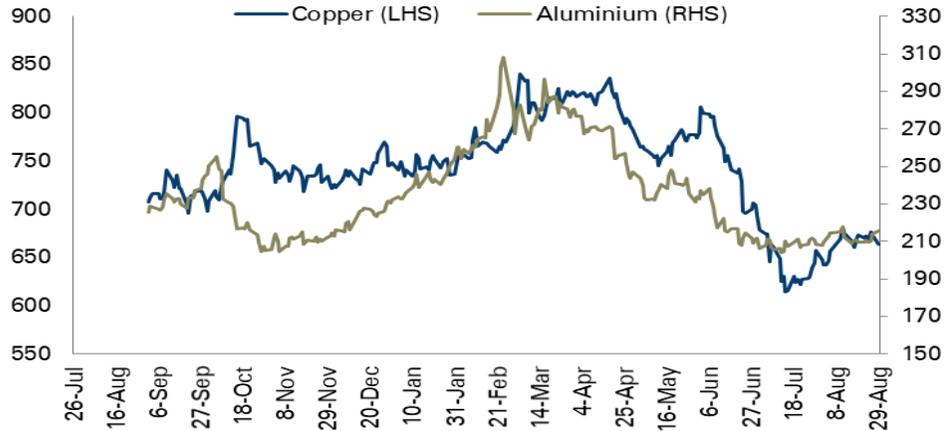
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	51282	0.09%	1751.65	0.11%
Silver	54355	-0.78%	18.61	-0.74%
MCXBULLDEX	14035	-0.20%	-	-
Copper	663.75	-1.59%	8137.50	0.10%
Aluminium	215.75	0.75%	2495.50	2.55%
Zinc	317.75	-0.38%	3561.50	0.38%
Lead	182.50	-0.05%	1985.50	0.48%
WTI Crude Oil	7751	4.55%	96.88	4.10%
US Nat Gas	749.2	0.64%	9.38	1.18%
MCXENRGDEX	10707	2.58%	-	-

Daily Commodity Pivot Levels

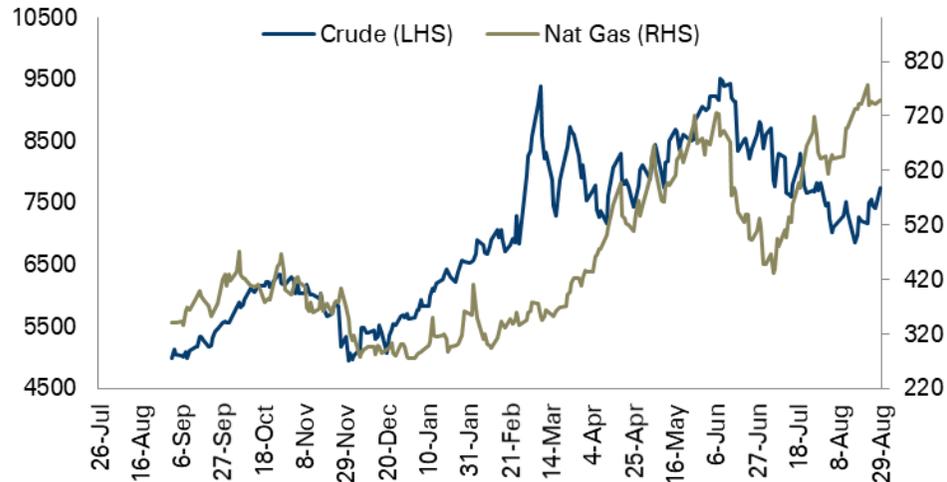
Commodity	S2	S1	Pivot	R1	R2
Gold	50621	50952	51160	51491	51699
Silver	53278	53816	54183	54721	55088
MCXBULLDEX	13858	13947	13998	14087	14138
Copper	658.3	661.0	662.8	665.5	667.3
Aluminium	210.0	212.9	214.3	217.2	218.7
Zinc	313.3	315.5	316.6	318.9	320.0
Lead	182.5	182.5	182.5	182.5	182.5
Crude Oil	7356	7553	7654	7851	7952
Nat Gas	698.2	723.7	744.3	769.8	790.4
MCXENRGDEX	10188	10448	10601	10860	11013

Source: Bloomberg, Reuters, ICICI Direct Research

MCX Copper vs. Aluminium Performance



MCX Crude Oil vs. Natural Gas Performance



Base Metal Outlook

- MCX copper prices fell on Monday as a hawkish Federal Reserve dented demand for copper
- Further, expectations of rising interest rates may leading the global economy into recession, pressurised copper prices
- However, further downside was restricted by a drop in copper LME warehouse inventories
- MCX copper prices are expected to rise for the day amid a continuous drop in copper LME warehouse inventories. It is likely to trade in the range of ₹ 666 to ₹ 676 in the coming sessions

Energy Outlook

- MCX crude oil prices edged higher by almost 4.30% on Monday as Saudi Arabia, top producer in the Organization of the Petroleum Exporting Countries (Opec), last week raised the possibility of production cuts
- Further, unrest in Libya's capital Tripoli at the weekend, resulting in 32 deaths, sparked concerns that the country could slide into a full-blown conflict and disrupt oil supply from the Opec nation
- We expect MCX crude oil prices to trade with a positive bias for the day on concerns over a crude oil production cut by Opec. It is likely to trade in the range of ₹ 7700 to 7900 in coming sessions

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Spanish CPI (YoY)	EUR	12:30 PM	-	10.90%	10.80%	Medium
German CPI (MoM) (Aug)	EUR	5:30 PM	-	0.30%	0.90%	Medium
JOLTs Job Openings (Jul)	USD	7:30 PM	-	10.475M	10.698M	High
CB Consumer Confidence (Aug)	USD	7:30 PM	-	97.9	95.7	High

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Source: Bloomberg, Reuters, ICICI Direct Research

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