

September 1, 2022

Daily Currency & Commodity Outlook

Daily Recommendation						
Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	Sep	Sell	649.40-649.50	639.4	655.4	1 day
GBPINR	Sep	Sell	93.60-93.62	93.30	93.80	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
DX	108.82	108.72	0.09%
US\$INR	79.73	80.14	-0.51%
EURUSD	1.0012	1.0003	0.09%
EURINR	80.18	80.14	0.05%
GBPUSD	1.1654	1.1710	-0.48%
GBPINR	93.58	93.77	-0.20%

Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Sep-22)	79.19	79.47	79.89	80.16	80.59
US\$INR (27th Oct-22)	79.55	79.75	80.04	80.24	80.54
EURINR (28th Sep-22)	79.79	79.96	80.13	80.30	80.47
EURINR (27th Oct-22)	80.21	80.38	80.54	80.70	80.87
GBPINR (28th Sep-22)	93.26	93.40	93.63	93.78	94.00
GBPINR (27th Oct-22)	93.64	93.79	94.00	94.15	94.36
JPYINR (28th Sep-22)	57.59	57.75	57.89	58.04	58.18
JPYINR (27th Oct-22)	57.88	58.05	58.18	58.35	58.48

- Rupee future maturing on September 28 appreciated on Tuesday amid continued FII flows into domestic equities. Further, the rupee was supported by a drop in crude oil prices

- The US dollar appreciated on Tuesday amid strong economic data from the US. The number of job openings in the US rose by 199,000 from a month earlier to 11.2 million in July of 2022 against market expectations of 10.45 million

- The Euro also appreciated on Tuesday with a decline in energy prices and expectations for an interest rate hike. However, sharp upside was restricted by weak economic data from the Euro area

- The pound edged lower on Tuesday and was set for its biggest monthly fall against the single currency in 16 months as the energy crisis renewed recession fears in Britain. The continued rise in gas prices entails the risk that the recession will be more pronounced and longer than previously expected

Follow-up

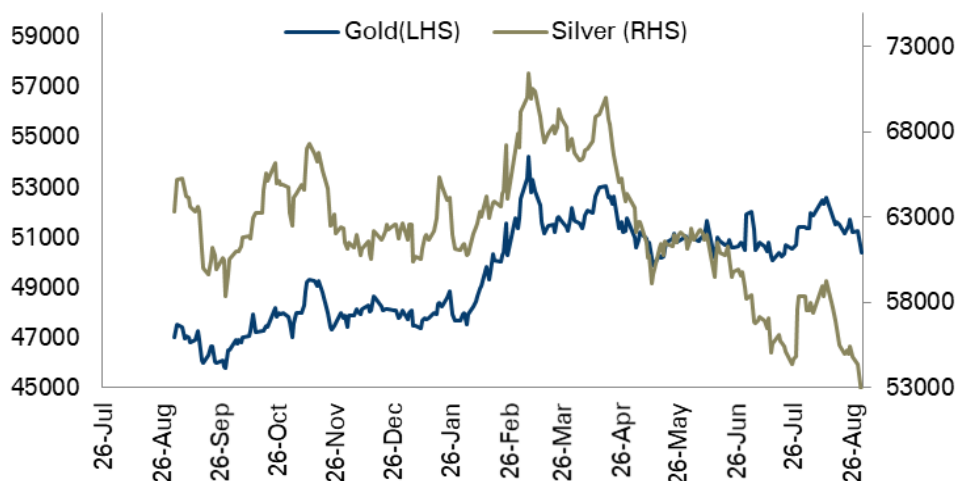
Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Natural gas	Sep	Buy	749-749.50	764	739	Not Initiated
EURINR	Sep	Buy	80.30-80.31	80.60	80.10	Not Initiated

Source: Bloomberg, Reuters, ICICI Direct Research

Bullion Outlook

- MCX gold prices slipped on Wednesday and was on track for its longest run of monthly losses since 2018, pressured by aggressive rate hikes by major central banks across the world
- However, weak economic data from the US provided support on lower side .
- MCX gold prices are expected to trade with a negative bias for the day on expectations that interest rates will move higher and stay high longer following Friday's hawkish speech from Federal Reserve chair Jerome Powell
- Additionally, investors will closely watch key macroeconomic data from the US

MCX Gold vs Silver Performance



MCX Price Performance

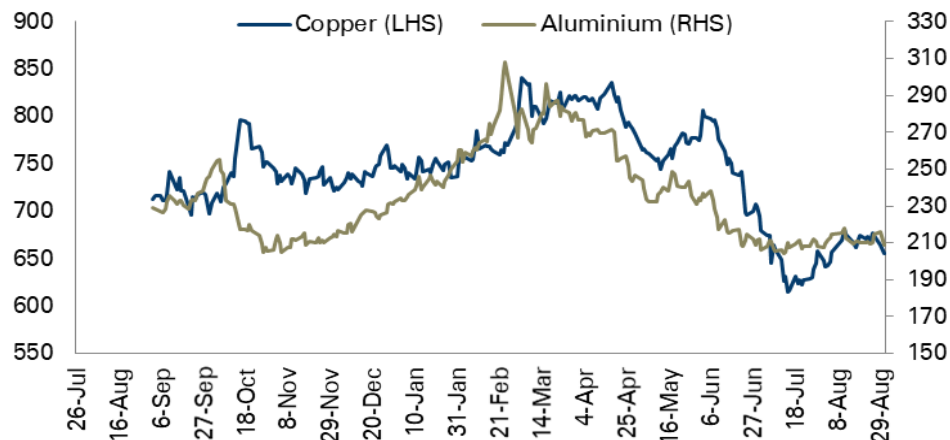
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	50402	-0.66%	1721.70	-0.02%
Silver	52536	-1.54%	17.82	-0.12%
MCXBULLDEX	13712	-1.01%	-	-
Copper	656.00	0.00%	7801.50	-0.79%
Aluminium	209.25	0.00%	2365.00	-1.09%
Zinc	314.45	0.00%	3463.00	-0.55%
Lead	184.00	0.00%	1987.50	0.10%
WTI Crude Oil	7177	-2.17%	89.11	0.29%
US Nat Gas	731.0	0.77%	9.14	-0.15%
MCXENRGDEX	10196	-0.56%	-	-

Daily Commodity Pivot Levels

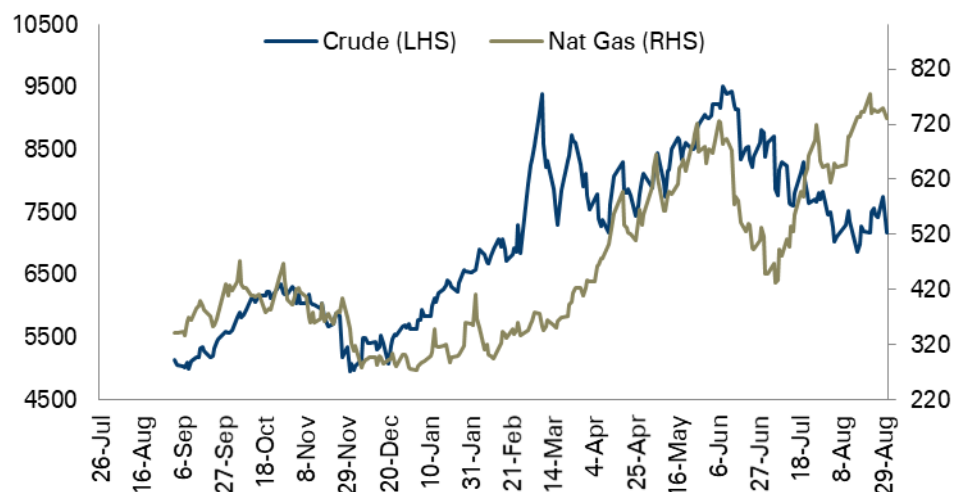
Commodity	S2	S1	Pivot	R1	R2
Gold	50137	50270	50465	50598	50793
Silver	52127	52331	52566	52770	53005
MCXBULLDEX	13652	13682	13738	13768	13824
Copper	651.8	653.9	657.1	659.2	662.4
Aluminium	207.4	208.3	210.2	211.1	212.9
Zinc	312.2	313.3	314.7	315.8	317.2
Lead	182.3	183.1	183.8	184.7	185.4
Crude Oil	6954	7065	7183	7294	7412
Nat Gas	688.1	709.6	724.2	745.7	760.3
MCXENRGDEX	9844	10020	10147	10323	10450

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 to their lowest in more than three weeks on Wednesday after US central bank chief Jerome Powell warned of a painful period of slow economic growth
- Further, copper prices were pressurised by concerns about China's demand and reinforced after Shenzhen shut the world's largest electronics market of Huaqiangbei and suspended service at subway stations in a bid to curb a Covid outbreak
- We expect copper prices to trade with a negative bias for the day on expectations of weak demand from top metal consumer China because of fresh Covid restrictions

Energy Outlook

- MCX crude oil prices edged lower by more than 1.80% on Wednesday on fears that an inflation induced weakening of global economies would soften fuel demand. Also, the unrest in Iraq has not put a dent in the Opec nation's crude exports
- Further, crude oil prices felt more pressure when Russia's fastest growing oil producer Gazprom said it plans to double oil production at its Zhagrin field in Western Siberia to more than 110,000 barrels per day
- We expect MCX crude oil prices to trade with a negative bias for the day on concerns over weakening global economy will dent fuel demand

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
German Retail Sales (MoM) (Jul)	EUR	11:30 AM	-	-0.40%	-1.60%	Medium
Manufacturing PMI (Aug)	EUR	1:30 PM	-	49.7	49.7	High
Manufacturing PMI (Aug)	GBP	2:00 PM	-	46	46	High
Unemployment Rate (Jul)	EUR	2:30 PM	-	6.60%	6.60%	High
Nonfarm Productivity (QoQ) (Q2)	USD	6:00 PM	-	-4.50%	-4.60%	Medium
Initial Jobless Claims	USD	6:00 PM	-	248K	243K	High
ISM Manufacturing PMI (Aug)	USD	7:30 PM	-	52	52.8	High

Source: Bloomberg, Reuters, ICICI Direct Research

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

Disclaimer



ANALYST CERTIFICATION

I/We, Raj Deepak Singh BE, MBA (Finance), Rishikesh Lilawat BBA, MBA (Finance) Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.