

September 6, 2022

Daily Currency & Commodity Outlook

Daily Recommendation						
Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural gas	Sep	Sell	696-696.50	686	702	1 day
EURINR	Sep	Sell	79.48-79.50	79.20	79.60	1 day

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Daily Currency Snapshot

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	109.78	109.62	0.15%
US\$INR	79.98	80.06	-0.10%
EURUSD	0.9947	0.9957	-0.10%
EURINR	79.48	80.12	-0.80%
GBPUSD	1.1517	1.1506	0.10%
GBPINR	92.03	92.60	-0.62%

Daily Currency Pivot levels

Futures	\$2	\$1	Pivot	R1	R2
US\$INR (28th Sep-22)	79.84	79.91	79.99	80.06	80.14
US\$INR (27th Oct-22)	80.04	80.12	80.21	80.28	80.37
EURINR (28th Sep-22)	79.01	79.25	79.48	79.71	79.94
EURINR (27th Oct-22)	79.41	79.66	79.88	80.13	80.35
GBPINR (28th Sep-22)	91.47	91.75	91.98	92.27	92.50
GBPINR (27th Oct-22)	91.85	92.13	92.35	92.63	92.85
JPYINR (28th Sep-22)	56.96	57.02	57.11	57.17	57.26
JPYINR (27th Oct-22)	57.26	57.31	57.39	57.44	57.53

- Rupee future maturing on September 28 appreciated yesterday amid rise in domestic equity markets. However, rise in crude oil prices restricted further upsides
- The US dollar rose to a new two-decade high yesterday on expectations that the Federal Reserve will continue its aggressive monetary tightening, especially after the release of the better-than-expected nonfarm payrolls data on Friday

- The Euro sank below \$0.99 to a new 20-year low on Monday after Russia's halt to gas supplies down its main pipeline to Europe heightened fears about a deepening energy crisis across the region
- The pound traded flat near two and a half-year lows on Monday, as Liz Truss was set to become Britain's next Prime Minister after winning a leadership race for the governing Conservative Party against a deteriorating economic backdrop

Follow-up

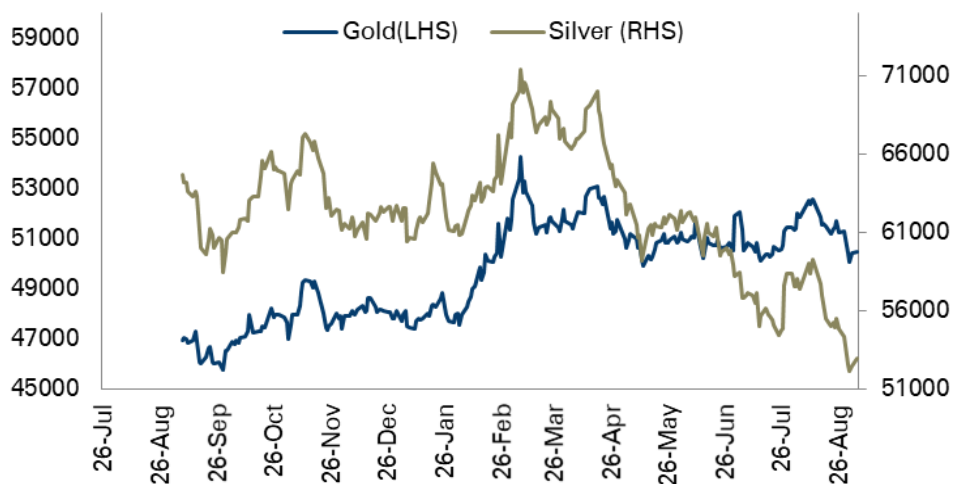
Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Crude oil	Sep	Sell	6910-6920	6760	7010	Not Initiated
GBPINR	Sep	Sell	93.60-93.62	93.30	93.80	Not Initiated

Source: Bloomberg, Reuters, ICICI Direct Research

Bullion Outlook

- MCX gold prices traded flat on Monday despite a strong US dollar index
- However, bullion prices were pressurised on hopes of aggressive interest rate hikes by US Fed
- MCX gold prices are expected to trade with a negative bias for the day amid a strong US dollar index. It is likely to break the support level of ₹ 50,370 to touch the level of ₹ 50,200 in the coming session. Additionally, silver prices are expected to take cues from gold prices and trade toward the level of ₹ 53,000
- Investors will closely watch key economic events from the US

MCX Gold vs Silver Performance



MCX Price Performance

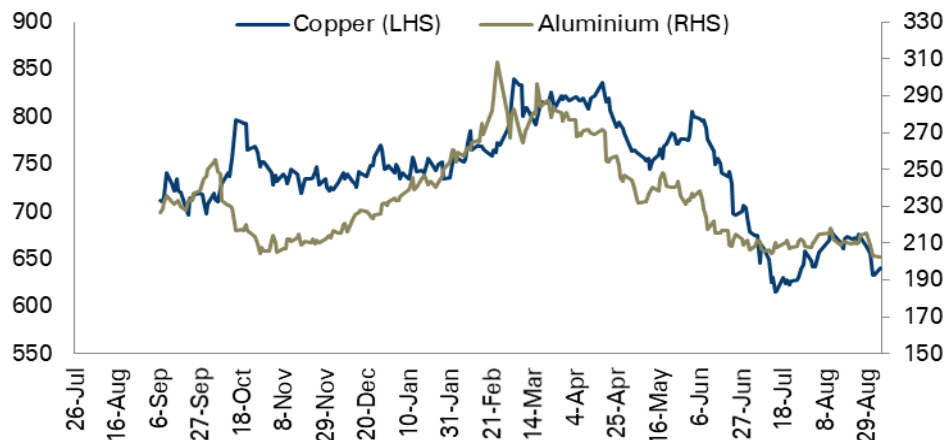
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	50438	0.14%	1722.85	0.10%
Silver	52902	0.50%	18.09	0.34%
MCXBULLDEX	13740	0.23%	-	-
Copper	640.70	1.11%	7657.00	0.31%
Aluminium	202.20	-0.42%	2290.50	-0.37%
Zinc	288.15	1.46%	3182.00	1.48%
Lead	176.05	0.49%	1888.50	-0.66%
WTI Crude Oil	7123	2.24%	89.19	0.35%
US Nat Gas	696.6	-1.36%	8.77	0.11%
MCXENRGDEX	9910	0.58%	-	-

Daily Commodity Pivot Levels

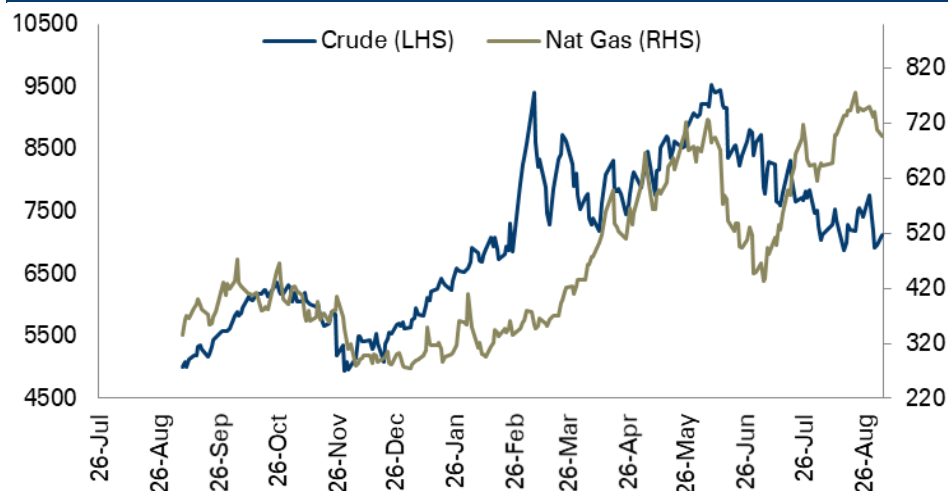
Commodity	S2	S1	Pivot	R1	R2
Gold	50337	50387	50455	50505	50573
Silver	52534	52718	53009	53193	53484
MCXBULLDEX	13692	13716	13739	13763	13786
Copper	630.5	635.6	638.5	643.6	646.5
Aluminium	200.7	201.4	202.9	203.6	205.1
Zinc	283.0	285.6	288.0	290.6	293.0
Lead	174.8	175.4	175.8	176.4	176.8
Crude Oil	6990	7057	7143	7210	7296
Nat Gas	680.7	688.7	704.0	712.0	727.3
MCXENRGDEX	9758	9834	9971	10046	10183

Source: Bloomberg, Reuters, ICICI Direct Research

MCX Copper vs. Aluminium Performance



MCX Crude Oil vs. Natural Gas Performance



Base Metal Outlook

- MCX copper prices advanced yesterday amid strong economic data from China
- The Caixin China General Services PMI fell to 55.0 in August. Still, the latest print was the third straight month of growth in services activity, as new orders grew solidly with the rate of increase the second-steepest since October 2021 while broadly in line with the series average
- We expect copper prices to trade with a negative bias for the day on concerns over a slowdown in global economic growth, which could dent base metals demand

Energy Outlook

- MCX crude oil prices rose about 2.20% on Monday, as Opec+ members agreed to a small production cut of 100,000 barrels per day to bolster prices
- However, further upside was prevented by comments from the White House that US President Joe Biden was committed to taking all steps necessary to shore up energy supplies and lower prices
- We expect MCX crude oil prices to trade with a negative bias for the day on expectations of a rise in energy supplies and reduction in prices

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
German Factory Orders (MoM) (Jul)	EUR	11:30 AM	-	-0.50%	-0.40%	Medium
IHS S&P Global Construction PMI (Aug)	EUR	1:00 PM	-	-	43.7	Medium
Construction PMI (Aug)	GBP	2:00 PM	-	48	48.9	High
German Buba Mauderer Speaks	EUR	4:00 PM	-	-	-	High
Services PMI (Aug)	USD	7:15 PM	-	44.3	44.1	Medium
ISM Non-Manufacturing PMI (Aug)	USD	7:30 PM	-	55.5	56.7	High

Source: Bloomberg, Reuters, ICICI Direct Research

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Source: Bloomberg, Reuters, ICICI Direct Research

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