

September 9, 2022

Daily Currency & Commodity Outlook

Daily Recommendation						
Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude oil	Sep	Buy	6700-6710	6850	6600	1 day
GBPINR	Sep	Sell	92.10-92.12	91.80	92.30	1 day

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Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	109.63	109.57	0.05%
US\$INR	79.81	80.07	-0.32%
EURUSD	0.9999	1.0001	-0.02%
EURINR	80.07	79.40	0.84%
GBPUSD	1.1503	1.1531	-0.24%
GBPINR	92.13	91.69	0.48%

Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Sep-22)	79.60	79.70	79.87	79.97	80.14
US\$INR (27th Oct-22)	79.87	79.95	80.06	80.13	80.24
EURINR (28th Sep-22)	79.56	79.80	79.94	80.17	80.31
EURINR (27th Oct-22)	80.08	80.26	80.36	80.54	80.63
GBPINR (28th Sep-22)	91.50	91.82	92.05	92.37	92.60
GBPINR (27th Oct-22)	91.89	92.18	92.41	92.70	92.93
JPYINR (28th Sep-22)	55.41	55.56	55.68	55.83	55.95
JPYINR (27th Oct-22)	55.59	55.79	56.10	56.30	56.61

- Rupee future maturing on September 28 appreciated by 0.33% yesterday amid a sharp rise in domestic equity markets. However, further upside was restricted by a rise in crude oil prices

- The US dollar traded flat yesterday despite strong initial jobless claims data and as Federal Reserve Chair Jerome Powell said on Thursday the central bank was strongly committed to controlling inflation

- The Euro traded flat on Thursday despite the European Central Bank raising interest rates by a record 75 basis points, taking the deposit rate above 0% for the first time since 2012, in an attempt to tame surging inflation

- The pound depreciated by almost 0.40% yesterday amid a strong US dollar index. However, a sharp rise in UK 10-year treasury yields prevented further downside

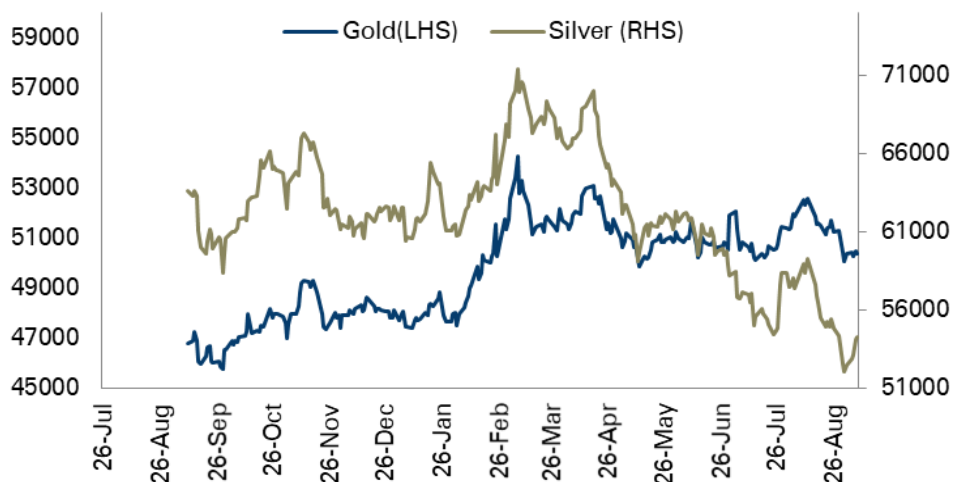
Follow-up

Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Copper	Sep	Buy	637-637.50	647	631	Not Initiated
EURINR	Sep	Sell	79.40-79.42	79.10	79.60	Not Initiated

Bullion Outlook

- MCX gold prices tumbled on Thursday amid strong macroeconomic data from the US
- Further, a rise in the US dollar index and US 10-year treasury yields pressurised bullion prices
- MCX gold prices are expected to trade with a negative bias for the day amid a strong US dollar. It is likely to break the support of ₹ 50,200 to continue its downward trend towards the level of ₹ 50,000 in the coming session
- Additionally, silver prices are likely to take cues from gold prices and drop towards the level of ₹ 53,400

MCX Gold vs Silver Performance



MCX Price Performance

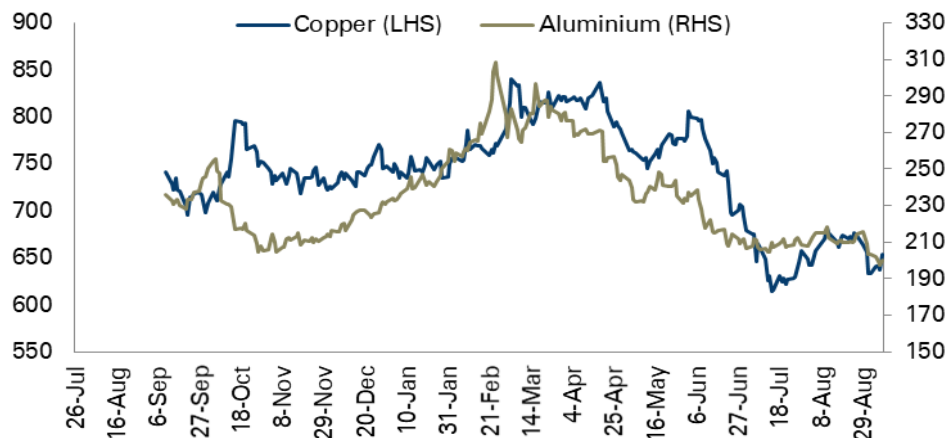
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	50365	-0.28%	1720.75	-0.41%
Silver	54280	0.47%	18.46	1.07%
MCXBULLDEX	13763	-0.15%	-	-
Copper	654.00	2.60%	7831.50	2.74%
Aluminium	200.25	1.44%	2276.50	1.86%
Zinc	283.55	1.02%	3154.00	0.98%
Lead	177.05	0.34%	1902.00	0.48%
WTI Crude Oil	6701	1.38%	83.81	2.28%
US Nat Gas	634.6	0.86%	7.95	1.43%
MCXENRGDEX	9163	0.94%	-	-

Daily Commodity Pivot Levels

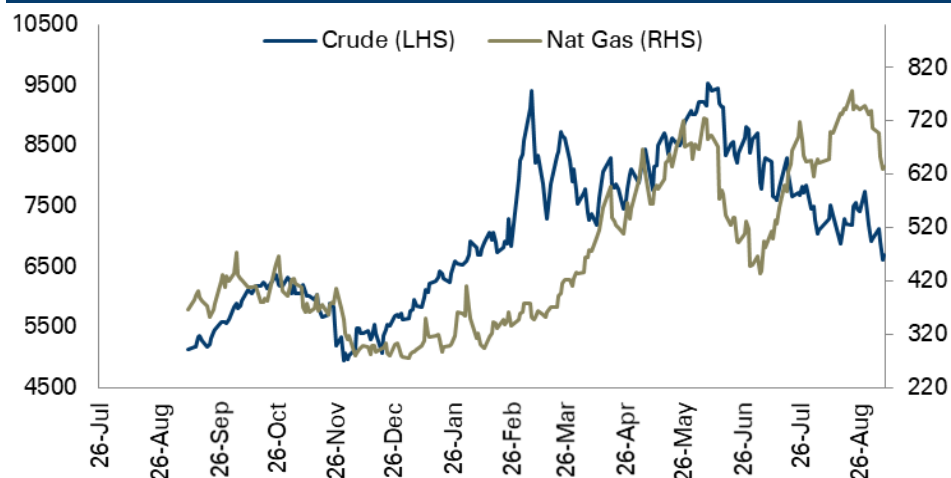
Commodity	S2	S1	Pivot	R1	R2
Gold	49894	50130	50436	50672	50978
Silver	53394	53837	54299	54742	55204
MCXBULLDEX	13629	13696	13787	13854	13945
Copper	636.1	645.0	649.5	658.5	663.0
Aluminium	197.8	199.0	199.7	200.9	201.6
Zinc	279.3	281.4	283.4	285.5	287.4
Lead	176.0	176.5	177.0	177.5	178.0
Crude Oil	6422	6562	6650	6790	6878
Nat Gas	609.1	621.8	632.9	645.6	656.7
MCXENRGDEX	8850	9006	9120	9276	9390

Source: Bloomberg, Reuters, ICICI Direct Research

MCX Copper vs. Aluminium Performance



MCX Crude Oil vs. Natural Gas Performance



Base Metal Outlook

- MCX copper and aluminium prices marched higher on Thursday on worries that stoppages due to high energy prices or other disruptions will spur shortages
- Further, European smelters are estimated to have cut an annualised 800,000 to 900,000 tonnes of aluminium production since energy prices began to rise last year
- We expect copper prices to trade with a positive bias for the day amid concerns over output cuts in Europe. Hence, the potential is high for a move higher in base metals prices

Energy Outlook

- MCX crude oil prices advanced by more than 1.00% on Thursday after Russia threatened to halt oil and gas exports to some buyers
- However, a sharp rise in US commercial crude oil inventories from 418.4 mb to 427.2 mb prevented further upside in crude oil prices
- We expect MCX crude oil prices to trade with a positive bias for the day amid concerns over Russian President Vladimir Putin's threat to halt oil and gas exports

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Euro Summit	EUR	3:30 PM	-	-	-	Medium
FX Reserves, USD	INR	5:00 PM	-	-	561.05B	Medium
FOMC Member George Speaks	USD	9:30 PM	-	-	-	Medium
Fed Waller Speaks	USD	9:30 PM	-	-	-	Medium
U.S. Baker Hughes Total Rig Count	USD	10:30 PM	-	-	760	Medium

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Source: Bloomberg, Reuters, ICICI Direct Research

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