

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

Research Analysts

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Rishikesh Lilawat
rishikesh.lilawat@icicisecurities.com

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

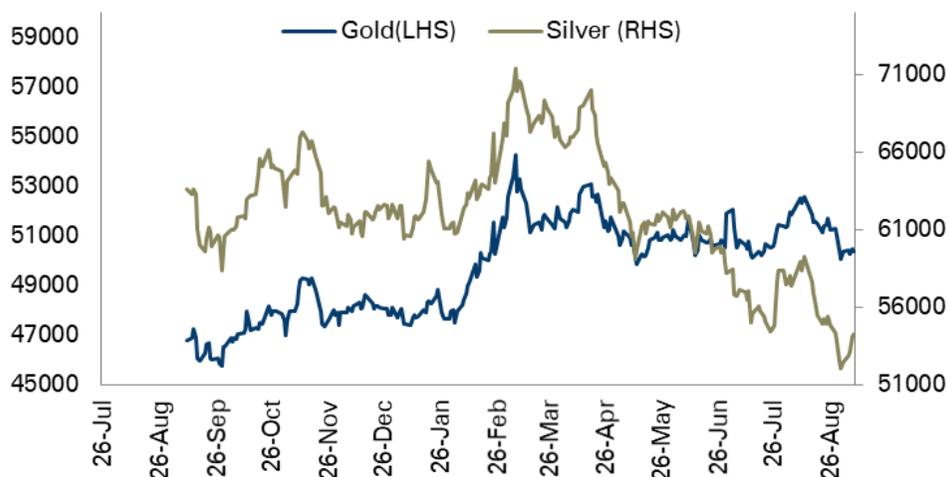
Follow-up

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

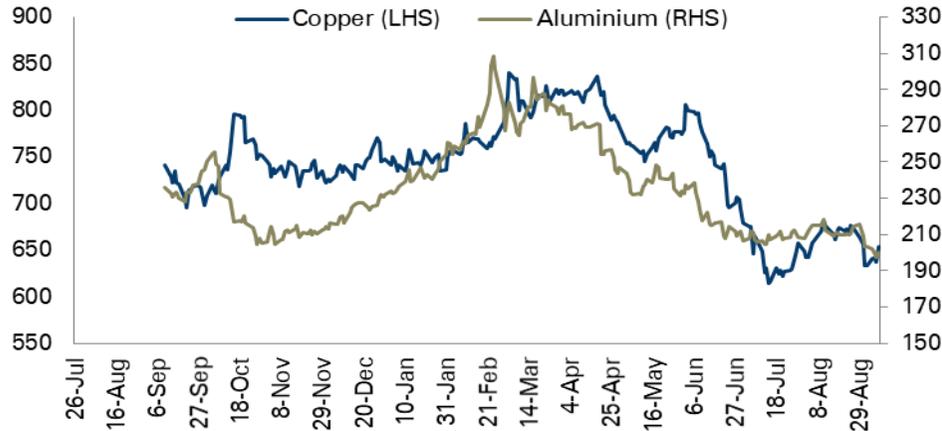
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	50365	-0.28%	1720.75	-0.41%
Silver	54280	0.47%	18.46	1.07%
MCXBULLDEX	13763	-0.15%	-	-
Copper	654.00	2.60%	7831.50	2.74%
Aluminium	200.25	1.44%	2276.50	1.86%
Zinc	283.55	1.02%	3154.00	0.98%
Lead	177.05	0.34%	1902.00	0.48%
WTI Crude Oil	6701	1.38%	83.81	2.28%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

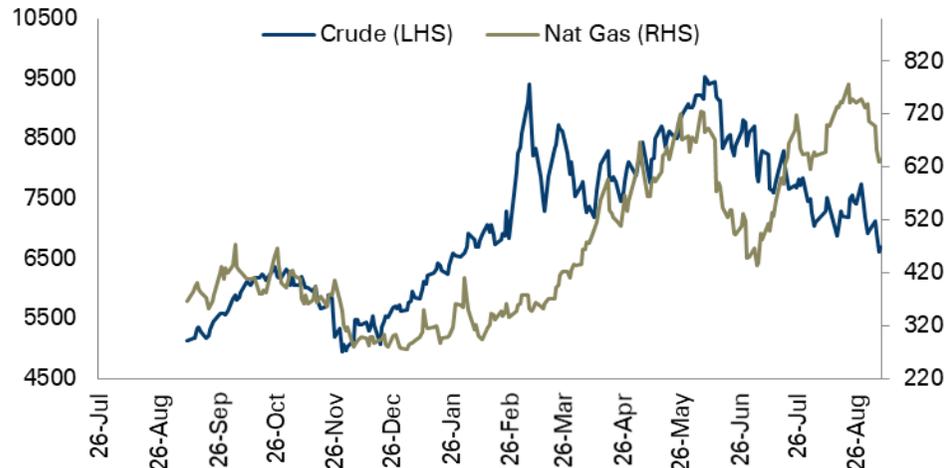
MCX Copper vs. Aluminium Performance



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

MCX Crude Oil vs. Natural Gas Performance



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

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.