

September 12, 2022

Daily Currency & Commodity Outlook

Daily Recommendation						
Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural gas	Sep	Sell	639-639.5	624	649	1 day
EURINR	Sep	Sell	80.30-80.32	80.00	80.50	1 day

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Daily Currency Snapshot

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DX	108.97	109.63	-0.60%
US\$INR	79.70	79.81	-0.14%
EURUSD	1.0043	0.9999	0.44%
EURINR	80.29	80.07	0.27%
GBPUSD	1.1585	1.1503	0.71%
GBPINR	92.49	92.13	0.39%

Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Sep-22)	79.48	79.61	79.70	79.83	79.92
US\$INR (27th Oct-22)	79.71	79.83	79.90	80.02	80.09
EURINR (28th Sep-22)	80.11	80.27	80.43	80.58	80.74
EURINR (27th Oct-22)	80.49	80.64	80.80	80.96	81.12
GBPINR (28th Sep-22)	92.12	92.39	92.58	92.85	93.04
GBPINR (27th Oct-22)	92.47	92.74	92.94	93.21	93.41
JPYINR (28th Sep-22)	55.52	55.85	56.05	56.38	56.57
JPYINR (27th Oct-22)	55.88	56.18	56.36	56.66	56.83

- Rupee future maturing on September 28 appreciated on Friday amid uptick in the domestic equity market. Further, weakness in the US dollar supported the rupee
- The US dollar depreciated on Friday as markets digested yet more hawkish Fed speak, while the Euro hung on to parity, helped by an outsized rate hike from the European Central Bank

- The Euro advanced on Friday and reached its highest point amid ECB's 75 basis point rate increase on Thursday. However, further upside was restricted by a drop in Germany 10 year's bond yields
- The pound appreciated by almost 0.70% on Friday amid a weak US dollar index and expectations of interest rate hike from BoE. Further, the pound was supported as Britain's new Prime Minister Liz Truss contributed to the broader narrative of action from European governments on Thursday, announcing a plan to cap consumer energy bills for two years

Follow-up

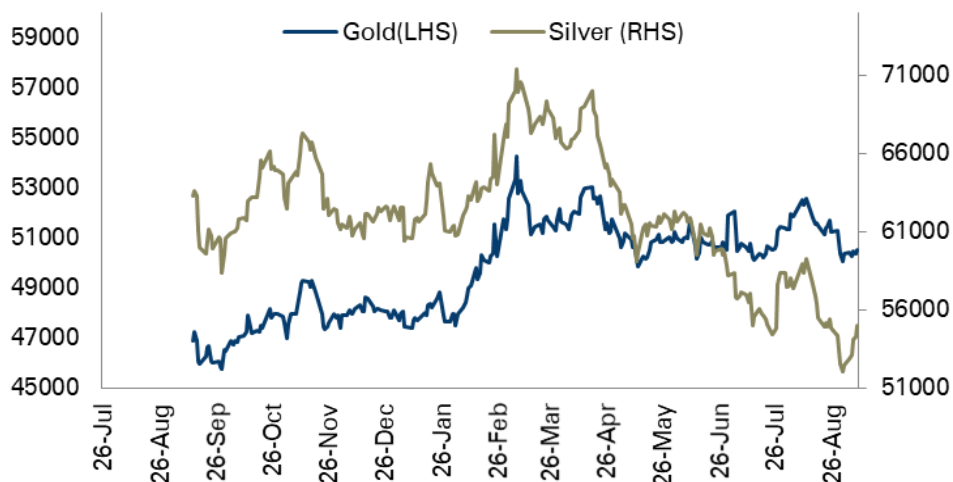
Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Crude oil	Sep	Buy	6700-6710	6850	6600	Target Achieved
GBPINR	Sep	Sell	92.10-92.12	91.80	92.30	Not Initiated

Source: Bloomberg, Reuters, ICICI Direct Research

Bullion Outlook

- MCX gold prices advanced on Friday amid weakness in the US dollar index
- Further, a drop in US 10 year's treasury yields supported bullion prices
- MCX gold prices are expected to trade with a positive bias for the day amid weak US dollar. It is likely to surpass the hurdle of ₹ 50,700 to continue its upward trend towards the level of ₹ 50,880 in the coming session
- Additionally, silver prices are likely to take cues from gold prices and rise towards the level of ₹ 55,800

MCX Gold vs Silver Performance



MCX Price Performance

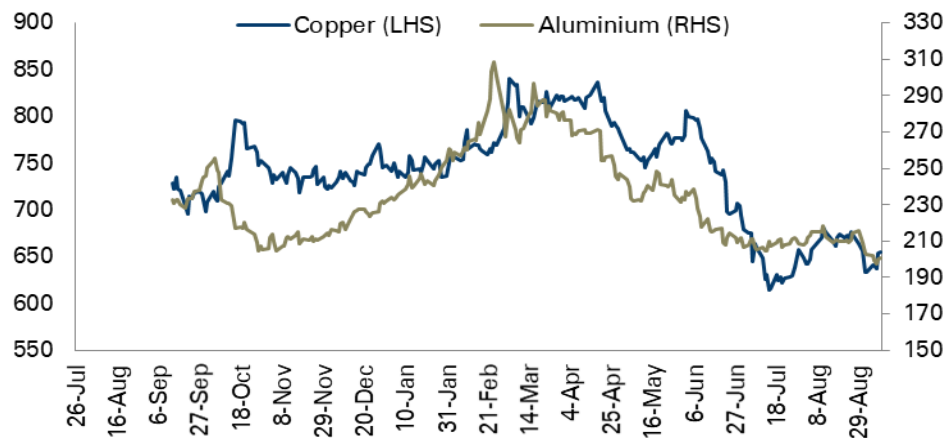
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	50521	0.33%	1727.60	0.43%
Silver	55015	1.35%	18.79	1.86%
MCXBULLDEX	13850	0.56%	-	-
Copper	655.30	0.31%	7851.00	0.25%
Aluminium	200.40	0.15%	2287.00	0.46%
Zinc	285.60	0.76%	3182.00	0.89%
Lead	177.40	0.20%	1902.00	0.48%
WTI Crude Oil	6923	3.34%	86.10	3.06%
US Nat Gas	638.4	1.00%	8.04	1.55%
MCXENRGDEX	9357	2.11%	-	-

Daily Commodity Pivot Levels

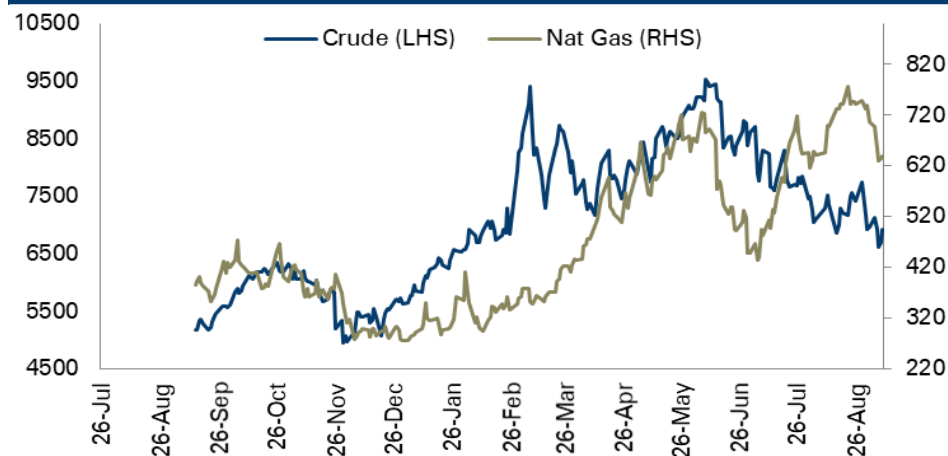
Commodity	S2	S1	Pivot	R1	R2
Gold	50148	50334	50537	50723	50926
Silver	54093	54554	54873	55334	55653
MCXBULLDEX	13737	13794	13844	13901	13951
Copper	645.6	650.4	657.6	662.5	669.7
Aluminium	195.7	198.0	200.9	203.3	206.2
Zinc	277.1	281.4	286.5	290.8	295.9
Lead	175.8	176.6	177.3	178.1	178.7
Crude Oil	6564	6744	6849	7029	7134
Nat Gas	615.9	627.1	640.8	652.0	665.7
MCXENRGDEX	9078	9217	9312	9451	9546

Source: Bloomberg, Reuters, ICICI Direct Research

MCX Copper vs. Aluminium Performance



MCX Crude Oil vs. Natural Gas Performance



Base Metal Outlook

- MCX copper prices traded higher on Friday amid optimism about top metals consumer China and persistent smelter shutdowns curbing supply
- However, weak macro economic data from China prevented further upside. China's annual inflation unexpectedly fell to 2.5% YoY in August 2022 from July's two-year high of 2.7%, less than market forecasts of 2.8%
- We expect copper prices to trade with a positive bias for the day amid high energy prices that have forced cuts in the production of base metals

Energy Outlook

- MCX crude oil prices edged higher by more than 3.00% on Friday supported by real and threatened cuts to supply
- Further, a drop in US Baker Hughes oil rig count from 596 to 591 supported crude oil prices
- We expect MCX crude oil prices to trade with a positive bias for the day amid expectations that Iraq has received requests to increase the quantities of crude oil it exports to Asia

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
GDP (MoM)	GBP	11:30 AM	-	-	-0.60%	High
Industrial Production (MoM) (Jul)	GBP	11:30 AM	-	0.40%	0.90%	Medium
Manufacturing Production (MoM) (Jul)	GBP	11:30 AM	-	0.60%	1.40%	High
CPI (YoY) (Aug)	INR	5:30 PM	-	6.90%	6.71%	High

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Source: Bloomberg, Reuters, ICICI Direct Research

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