

September 16, 2022

Daily Currency & Commodity Outlook

Daily Recommendation

Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Silver mini	Nov	Sell	56850-56860	56250	57250	1 day
USDINR	Sep	Buy	79.80-79.81	80.00	79.67	1 day

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Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	109.71	109.64	0.06%
US\$INR	79.84	79.62	0.28%
EURUSD	0.9994	0.9977	0.17%
EURINR	79.77	79.68	0.11%
GBPUSD	1.1471	1.1540	-0.60%
GBPINR	91.98	92.02	-0.04%

Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Sep-22)	79.15	79.50	79.70	80.05	80.26
US\$INR (27th Oct-22)	79.57	79.81	79.96	80.20	80.35
EURINR (28th Sep-22)	79.27	79.54	79.68	79.95	80.09
EURINR (27th Oct-22)	79.66	79.93	80.08	80.35	80.50
GBPINR (28th Sep-22)	91.60	91.80	91.93	92.14	92.27
GBPINR (27th Oct-22)	91.98	92.17	92.31	92.51	92.64
JPYINR (28th Sep-22)	55.41	55.61	55.73	55.93	56.05
JPYINR (27th Oct-22)	55.72	55.92	56.04	56.24	56.35

- Rupee future maturing on September 28 depreciated yesterday by 0.31% amid a drop in domestic equity markets. However, a sharp drop in crude oil prices restricted further weakness in the rupee
- The US dollar traded flat yesterday despite strong economic data from the US. Retail sales in the US went up 0.3% in August from July, following a revised 0.4% fall in the previous month and beating forecasts of a flat reading

- The Euro appreciated on Thursday amid a rise in French CPI data. The Consumer Price Index in France increased 0.5% in August 2022 over the previous month amid a rebound in manufactured goods costs
- The pound dropped almost 0.40% yesterday hovering above a 35-year low touched last week as investors fret about the economic outlook and continue to favour the US currency. Further, the sterling was hit by expectations of a long recession, stubbornly high inflation and political instability

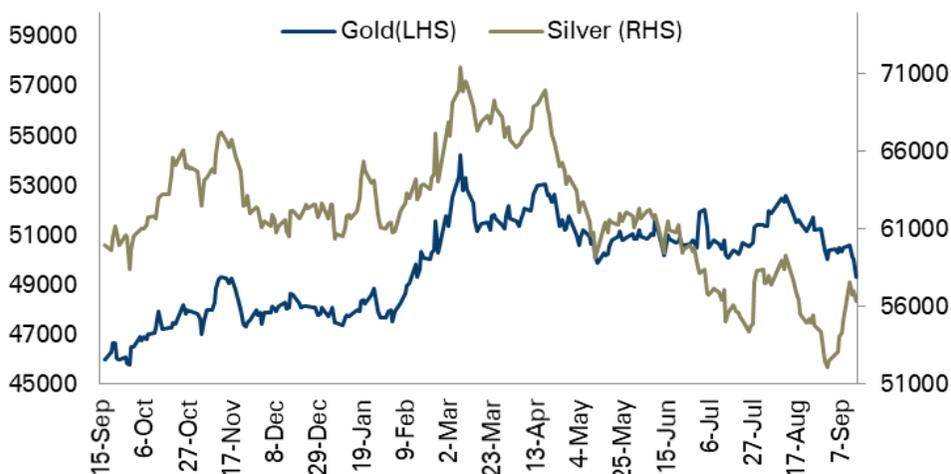
Follow-up

Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Crude oil	Oct	Buy	7090-7100	7240	6990	Not Initiated
EURINR	Sep	Sell	79.68-79.70	79.40	79.90	Exit in Loss

Bullion Outlook

- Comex gold prices tumbled more than 2.00% yesterday and touched their 28-month low amid strong macroeconomic data from the US and elevated bond yields
- The number of Americans filing new claims for unemployment benefits declined to 213,000 in the week ended September 10, well below market expectations of 226,000
- Further, a sharp rise in US treasury yields especially short-term yields pressurised bullion prices
- MCX gold prices are expected to trade with a negative bias for the day amid a rise in US 10 years bond yields. It is likely to trade below ₹ 49,400 and may test 48,900 in coming sessions

MCX Gold vs Silver Performance



MCX Price Performance

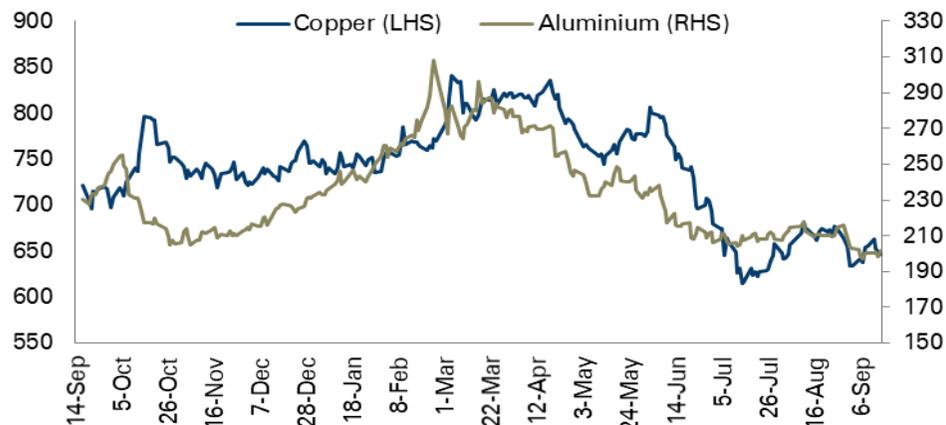
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	49315	-1.41%	1673.05	-2.11%
Silver	56389	-1.05%	19.18	-2.00%
MCXBULLDEX	13697	-1.25%	-	-
Copper	646.00	-0.41%	7720.50	-1.06%
Aluminium	201.75	1.64%	2312.00	1.83%
Zinc	283.40	-1.24%	3171.00	-1.81%
Lead	179.05	-0.83%	1962.50	0.51%
WTI Crude Oil	6823	-4.09%	85.03	-3.90%
US Nat Gas	673.0	-5.28%	8.30	-8.91%
MCXENRGDEX	9548	-4.35%	-	-

Daily Commodity Pivot Levels

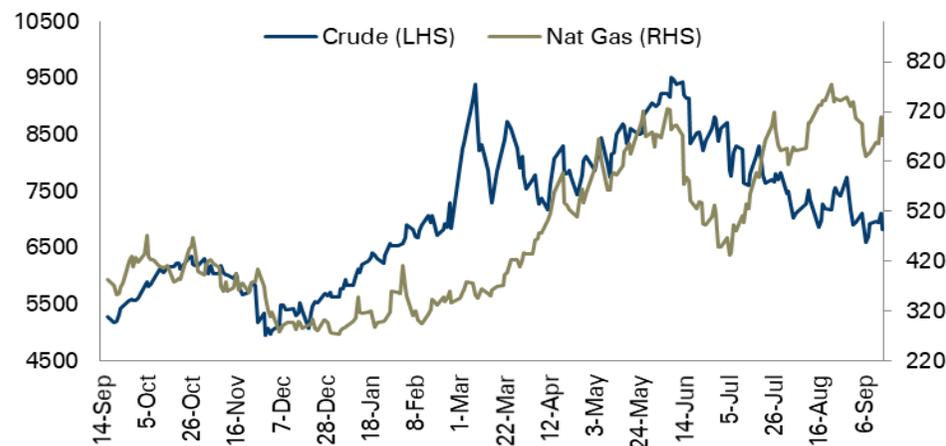
Commodity	S2	S1	Pivot	R1	R2
Gold	48704	49009	49476	49781	50248
Silver	55507	55948	56579	57020	57651
MCXBULLDEX	13551	13624	13741	13814	13931
Copper	637.0	641.5	647.6	652.1	658.2
Aluminium	197.7	199.7	200.8	202.8	203.9
Zinc	276.0	279.7	285.4	289.1	294.9
Lead	176.8	177.9	179.9	181.1	183.1
Crude Oil	6560	6691	6894	7025	7228
Nat Gas	618.6	645.8	683.9	711.1	749.2
MCXENRGDEX	9009	9278	9649	9919	10290

Source: Bloomberg, Reuters, ICICI Direct Research

MCX Copper vs. Aluminium Performance



MCX Crude Oil vs. Natural Gas Performance



Base Metal Outlook

- MCX copper prices dropped yesterday amid a rise in copper LME warehouse inventories
- Aluminium prices gained on Thursday as Europe continued to grapple with a power crisis that has curtailed production of the energy-intensive metal
- We expect aluminium prices to trade with a positive bias for the day as a rising power crisis in Europe may hamper aluminium production
- Additionally, investors will closely watch a series of Chinese economic data

Energy Outlook

- MCX crude oil prices edged lower by almost 4.00% on Thursday on a tentative agreement that would avert a US rail strike and expectations of weaker global demand
- MCX natural gas prices fell by 5.28% amid an increase in US natural gas storage by 77 Bcf from the previous week
- We expect MCX natural gas prices to trade with a negative bias for the day amid a possible deal that would avert a rail strike, as two-thirds of the US coal-fired power plants receive their coal by rail. When coal or any other fuel is not available for power generation, energy firms usually burn more gas to produce power. This will increase demand for natural gas

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Retail Sales (MoM) (Aug)	GBP	11:30 AM	-	-0.50%	0.30%	High
CPI (YoY) (Aug)	EUR	2:30 PM	-	9.10%	9.10%	High
Michigan Consumer Sentiment (Sep)	USD	7:30 PM	-	60	58.2	Medium
U.S. Baker Hughes Oil Rig Count	USD	10:30 PM	-	-	591	Medium

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Source: Bloomberg, Reuters, ICICI Direct Research

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