

Daily Currency & Commodity Outlook

Daily Recommendation

| Currency/Commodity | Expiry | Action | Entry | Target | Stop Loss | Time Frame |
|--------------------|--------|--------|-------------|--------|-----------|------------|
| Natural gas | Sep | Sell | 618-618.50 | 608 | 624 | 1 day |
| EURINR | Sep | Sell | 79.80-79.82 | 79.50 | 80.00 | 1 day |

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Major Currency Pairs

| Currencies | Close | Pvs. Close | % Change |
|------------|--------|------------|----------|
| DXY | 109.78 | 109.64 | 0.13% |
| US\$INR | 79.83 | 79.82 | 0.01% |
| EURUSD | 1.0007 | 1.0012 | -0.05% |
| EURINR | 79.79 | 79.71 | 0.10% |
| GBPUSD | 1.1412 | 1.1416 | -0.04% |
| GBPINR | 90.89 | 91.11 | -0.24% |

Daily Currency Pivot levels

| Futures | S2 | S1 | Pivot | R1 | R2 |
|-----------------------|-------|-------|-------|-------|-------|
| US\$INR (28th Sep-22) | 79.54 | 79.69 | 79.79 | 79.93 | 80.03 |
| US\$INR (27th Oct-22) | 79.76 | 79.90 | 80.00 | 80.14 | 80.24 |
| EURINR (28th Sep-22) | 79.39 | 79.59 | 79.76 | 79.96 | 80.12 |
| EURINR (27th Oct-22) | 79.80 | 80.00 | 80.16 | 80.36 | 80.51 |
| GBPINR (28th Sep-22) | 90.56 | 90.73 | 90.90 | 91.06 | 91.23 |
| GBPINR (27th Oct-22) | 90.98 | 91.14 | 91.31 | 91.46 | 91.63 |
| JPYINR (28th Sep-22) | 55.50 | 55.60 | 55.79 | 55.90 | 56.09 |
| JPYINR (27th Oct-22) | 55.53 | 55.77 | 56.24 | 56.48 | 56.94 |

- Rupee future maturing on September 28 traded flat on Monday despite a rise in domestic equities. Further, a rise in crude oil prices pressurised the rupee

- The US dollar appreciated on Monday, trading within narrow ranges ahead of central bank meetings this week, which is likely to deliver another hefty interest rate hike. Further, there was an uptick in US 10 year's treasury yields

- The Euro traded flat on Monday despite a strong US dollar. Further, sharp downside was prevented after ECB Vice President Luis de Guindos said the exact number of further interest rate hikes by the European Central Bank will depend on upcoming macroeconomic data

- The pound traded flat yesterday, hovering near last week's 37-year low amid concerns over weak economic outlook. Further, a rise in UK 10 year's bond yields restricted downside

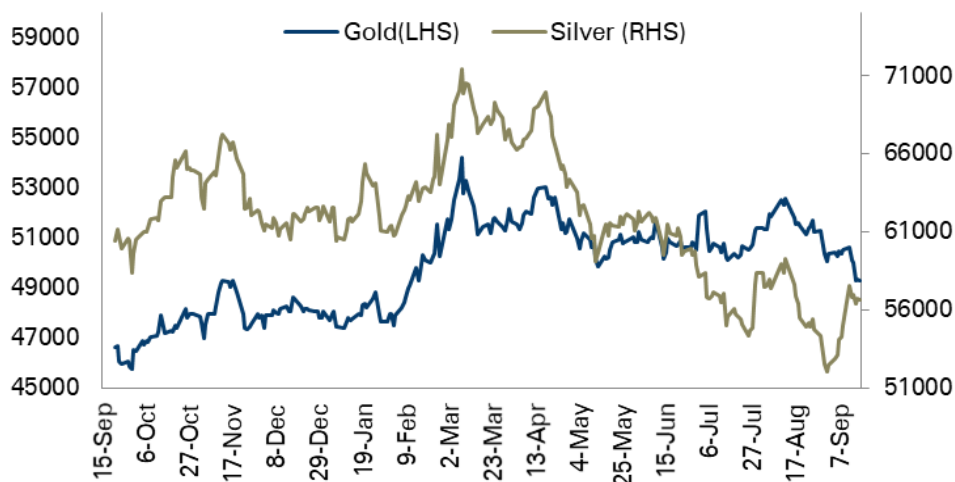
Follow-up

| Currency/Commodity | Contract | Action | Price | Target | Stoploss | Comment |
|--------------------|----------|--------|-------------|--------|----------|---------------------|
| Crude oil | Oct | Buy | 6810-6820 | 6910 | 6750 | Stop loss Triggered |
| GBPINR | Sep | Sell | 91.10-91.12 | 90.80 | 91.30 | Not Initiated |

Bullion Outlook

- MCX gold prices fell on Monday amid expectations that US Federal Reserve will deliver a steep interest rate hike when it meets this week
- Further, a rise in US dollar index and US 10 year's treasury yields pressurised bullion prices
- 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 of ₹ 49,030 to continue its downward trend towards the level of ₹ 48,930 in the coming trading session
- Additionally, silver prices are expected to take cues from gold prices and trade in a downward trend to touch ₹ 56,200 level

MCX Gold vs Silver Performance



MCX Price Performance

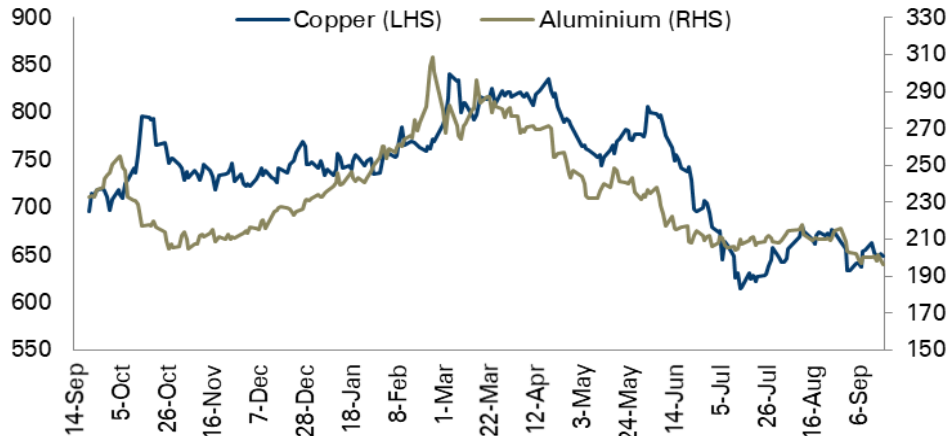
| Commodity | LTP (₹) | Change | LTP (\$) | Change |
|---------------|---------|--------|----------|--------|
| Gold | 49311 | -0.14% | 1679.75 | -0.22% |
| Silver | 56700 | -0.04% | 19.35 | -0.15% |
| MCXBULLDEX | 13691 | -0.25% | - | - |
| Copper | 648.45 | -0.44% | 7762.50 | 0.01% |
| Aluminium | 196.50 | -1.31% | 2251.50 | -1.12% |
| Zinc | 282.25 | 0.16% | 3154.00 | 0.02% |
| Lead | 179.80 | 1.30% | 1889.00 | -1.43% |
| WTI Crude Oil | 6811 | -0.07% | 85.12 | 0.42% |
| US Nat Gas | 618.0 | -2.04% | 7.74 | -0.28% |
| MCXENRGDEX | 9172 | -0.81% | - | - |

Daily Commodity Pivot Levels

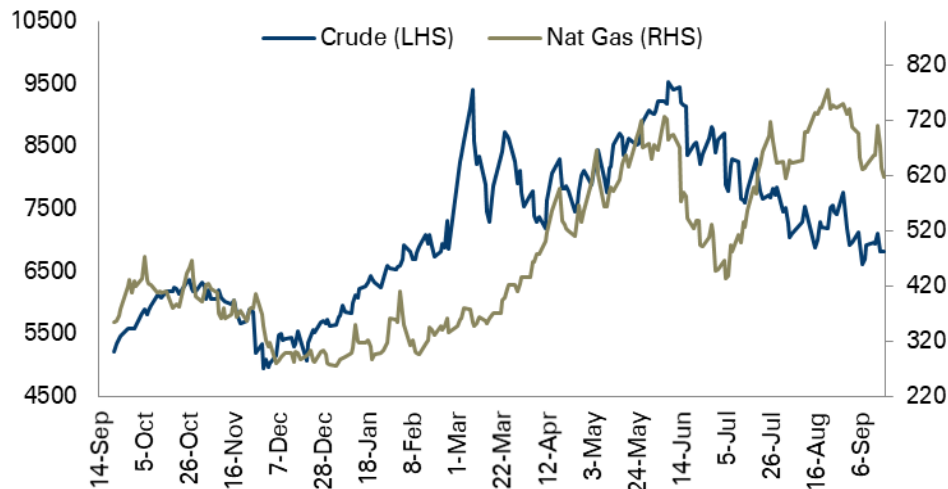
| Commodity | S2 | S1 | Pivot | R1 | R2 |
|------------|-------|-------|-------|-------|-------|
| Gold | 48889 | 49100 | 49255 | 49466 | 49621 |
| Silver | 56118 | 56409 | 56726 | 57017 | 57334 |
| MCXBULLDEX | 13590 | 13640 | 13690 | 13740 | 13790 |
| Copper | 640.1 | 644.3 | 647.7 | 651.8 | 655.2 |
| Aluminium | 194.3 | 195.4 | 197.2 | 198.3 | 200.1 |
| Zinc | 275.8 | 279.0 | 281.3 | 284.5 | 286.8 |
| Lead | 175.9 | 177.9 | 179.0 | 181.0 | 182.1 |
| Crude Oil | 6445 | 6628 | 6728 | 6911 | 7011 |
| Nat Gas | 575.1 | 596.6 | 614.5 | 636.0 | 653.9 |
| MCXENRGDEX | 8666 | 8919 | 9087 | 9340 | 9508 |

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 slipped on Monday on worries that global demand will be hurt by expectations that the US Federal Reserve will deliver a hefty rate hike later this week
- Further, a sharp rise in copper LME warehouse inventories pressurised copper prices on the higher side
- We expect copper prices to trade with a negative bias for the day amid worries about a potential European recession, which may dent demand for base metals
- Additionally, investors will closely watch US building permits and housing starts data for more clarity

Energy Outlook

- Nymex crude oil prices advanced after touching \$82.10 level on Monday as traders balanced worries about tight supplies with fears that global demand could slow down due to possible large increases in interest rates
- MCX natural gas prices fell almost 2.00% amid ongoing outage at the Freeport LNG export plant in Texas, which has left more gas in the US for utilities to inject into stockpiles for next winter
- We expect MCX natural gas prices to trade with a negative bias for the day amid concerns about output holding near a monthly record high

Economic Calendar

| Data | Country | Time | Actual | Expected | Previous | Impact |
|------------------------------|---------|----------|--------|----------|----------|--------|
| German PPI (MoM) (Aug) | EUR | 11:30 AM | - | 1.60% | 5.30% | Medium |
| Building Permits (Aug) | USD | 6:00 PM | - | 1.610M | 1.685M | High |
| Housing Starts (Aug) | USD | 6:00 PM | - | 1.445M | 1.446M | Medium |
| ECB President Lagarde Speaks | EUR | 10:30 PM | - | - | - | High |

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Source: Bloomberg, Reuters, ICICI Direct Research

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