

September 21, 2022

Daily Currency & Commodity Outlook

Daily Recommendation

Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude oil	Oct	Sell	6760-6770	6660	6820	1 day
EURINR	Sep	Sell	79.88-79.90	79.58	80.08	1 day

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Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	110.21	109.78	0.39%
US\$INR	79.78	79.83	-0.06%
EURUSD	0.9968	1.0007	-0.39%
EURINR	79.88	79.79	0.11%
GBPUSD	1.1370	1.1412	-0.37%
GBPINR	91.37	90.89	0.53%

Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Sep-22)	79.51	79.65	79.77	79.91	80.04
US\$INR (27th Oct-22)	79.77	79.88	79.96	80.07	80.14
EURINR (28th Sep-22)	79.67	79.77	79.94	80.04	80.21
EURINR (27th Oct-22)	80.06	80.16	80.32	80.43	80.59
GBPINR (28th Sep-22)	90.91	91.15	91.30	91.54	91.68
GBPINR (27th Oct-22)	91.29	91.51	91.66	91.88	92.03
JPYINR (28th Sep-22)	55.46	55.57	55.73	55.85	56.00
JPYINR (27th Oct-22)	55.66	55.81	56.07	56.22	56.48

- Rupee future maturing on September 28 traded flat on Tuesday despite a rise in domestic equity markets. Further, a drop in crude oil prices supported the rupee
- The US dollar remained strong near a two-decade high on Tuesday as investors held firm in expectation of another aggressive rate hike by the Federal Reserve. However, weak building permits data from the US capped further gains in the US dollar

- The Euro depreciated by 0.40% yesterday amid strong US dollar. Producer price inflation MoM in Germany increased to 7.90% in August from 5.30% in July 2022
- The pound marginally depreciated yesterday, hovering barely above its lowest level since 1985 amid strong US dollar. However, further downside was restricted on expectations of interest rate hike from the Bank of England this week

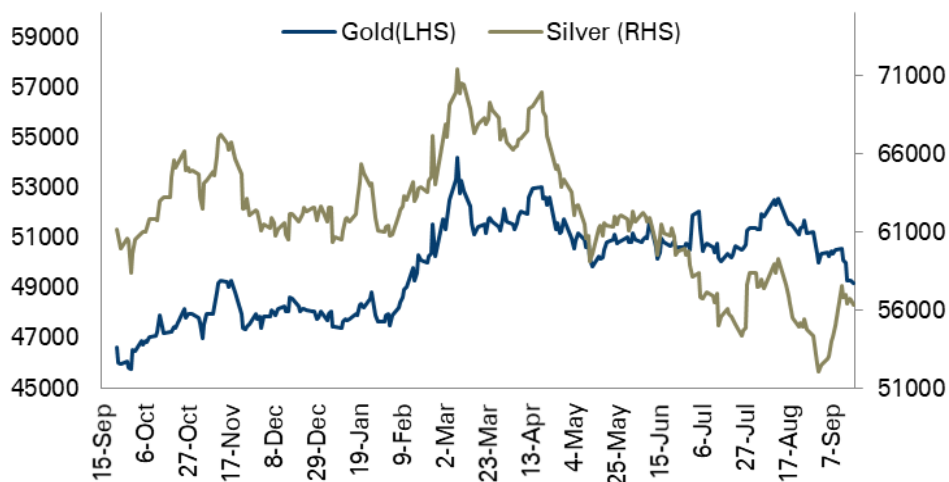
Follow-up

Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Natural gas	Sep	Sell	618-618.50	608	624	Exit in Loss
EURINR	Sep	Sell	79.80-79.82	79.50	80.00	Not Initiated

Bullion Outlook

- MCX gold prices dropped yesterday amid a rise in US dollar index and US 10 year's treasury yields
- Further, bullion prices were pressurised as investors squared positions ahead of a widely expected big interest rate hike by the US Federal Reserve
- MCX gold prices are expected to trade with a negative bias for the day amid expectations of aggressive interest rate hike by the US Fed. It is likely to break the key support level of ₹ 49,030 to continue its downward trend towards the level of ₹ 48,930
- Additionally, silver prices will take cues from gold prices and may trade in a downward trend to touch ₹ 55,400 level

MCX Gold vs Silver Performance



MCX Price Performance

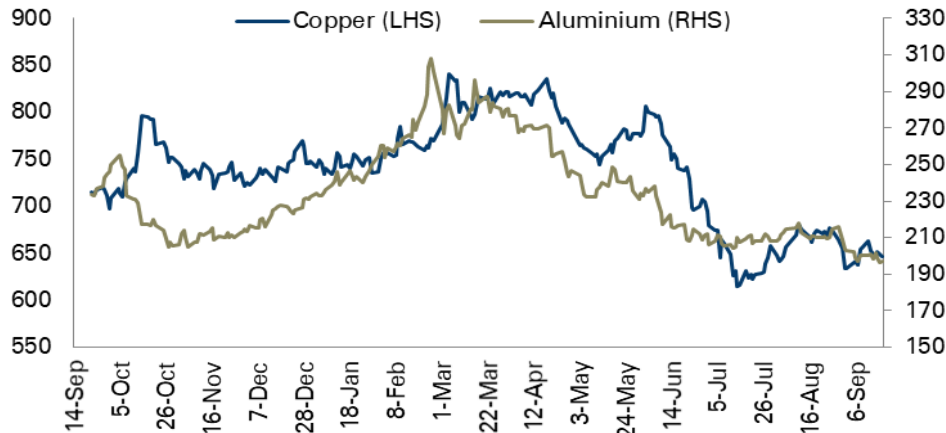
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	49211	-0.18%	1672.90	-0.32%
Silver	56365	-0.56%	19.21	-0.78%
MCXBULLDEX	13650	-0.30%	-	-
Copper	646.30	-0.33%	7713.50	-0.52%
Aluminium	196.85	0.15%	2249.00	-0.09%
Zinc	279.40	-0.94%	3126.00	-0.46%
Lead	179.70	-0.11%	1884.50	-0.24%
WTI Crude Oil	6762	-0.81%	83.94	-1.66%
US Nat Gas	619.1	0.32%	7.70	-0.74%
MCXENRGDEX	9118	-0.48%	-	-

Daily Commodity Pivot Levels

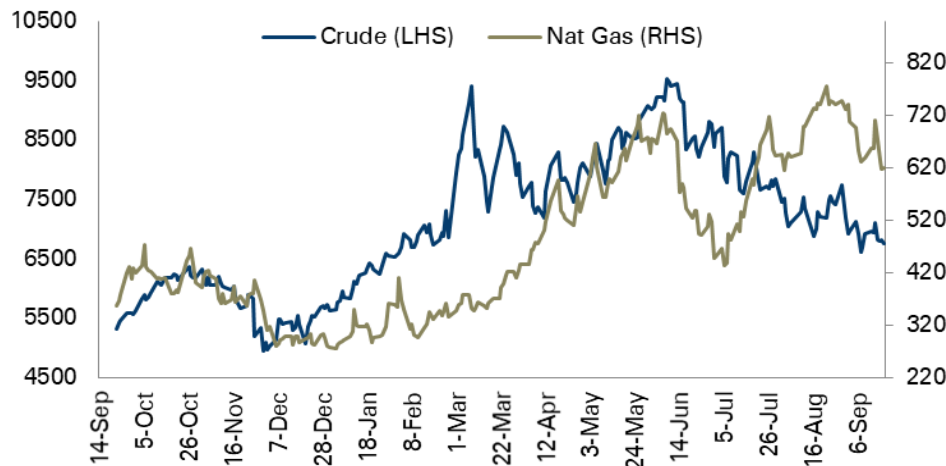
Commodity	S2	S1	Pivot	R1	R2
Gold	48899	49055	49256	49412	49613
Silver	55503	55934	56536	56967	57569
MCXBULLDEX	13545	13597	13674	13726	13803
Copper	640.1	643.2	649.0	652.1	657.8
Aluminium	194.5	195.7	196.8	198.0	199.1
Zinc	275.7	277.5	281.1	283.0	286.6
Lead	178.0	178.8	180.2	181.0	182.4
Crude Oil	6529	6645	6769	6885	7009
Nat Gas	596.4	607.8	622.4	633.8	648.4
MCXENRGDEX	8867	8992	9137	9262	9407

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 Tuesday amid rising inventories in London Metal Exchange (LME) approved warehouses
- Further, copper prices were pressurised by weak building permits data from the US
- However, some support for base metals came from an easing of Covid restrictions in top consumer China
- We expect copper prices to trade with a negative bias for the day amid strong US dollar index. It is likely to trade in the range of 640-650.

Energy Outlook

- MCX crude oil prices dropped almost 0.80% as the dollar stayed strong and investors anticipated more central bank interest-rate hikes
- However, further downside was prevented after data showed Opec+ is now producing crude oil below its targets by a record 3.58 million barrels per day about 3.5% of global demand
- We expect MCX crude oil prices to trade with a negative bias for the day as recession fears may drag oil prices lower. It is likely to trade towards its key support level of ₹ 6600

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
ECB's De Guindos Speaks	EUR	12:30 PM	-	-	-	Medium
Existing Home Sales (Aug)	USD	7:30 PM	-	4.70M	4.81M	High
Crude Oil Inventories	USD	8:00 PM	-	2.321M	2.442M	High
Fed Interest Rate Decision	USD	11:30 PM	-	3.25%	2.50%	High

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Source: Bloomberg, Reuters, ICICI Direct Research

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