

September 22, 2022

Daily Currency & Commodity Outlook

Daily Recommendation

Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	Sep	Sell	644-644.20	638	648	1 day
GBPINR	Sep	Sell	90.68-90.70	90.40	90.90	1 day

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Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	111.28	110.21	0.97%
US\$INR	80.00	79.78	0.28%
EURUSD	0.9845	0.9968	-1.23%
EURINR	79.43	79.88	-0.56%
GBPUSD	1.1275	1.1370	-0.84%
GBPINR	90.77	91.37	-0.66%

Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Sep-22)	79.71	79.85	79.96	80.11	80.21
US\$INR (27th Oct-22)	79.93	80.07	80.18	80.32	80.43
EURINR (28th Sep-22)	78.88	79.17	79.48	79.77	80.09
EURINR (27th Oct-22)	79.33	79.58	79.85	80.10	80.37
GBPINR (28th Sep-22)	90.24	90.52	90.78	91.06	91.31
GBPINR (27th Oct-22)	90.60	90.88	91.13	91.40	91.65
JPYINR (28th Sep-22)	55.38	55.50	55.69	55.81	56.00
JPYINR (27th Oct-22)	55.69	55.81	56.00	56.12	56.31

- Rupee future maturing on September 28 depreciated on Wednesday amid a drop in domestic equities. However, a drop in crude oil prices prevented further downside in the rupee
- The US dollar surged to a fresh two-decade high on Wednesday after the Federal Reserve raised interest rates by another 75 basis points, as expected, and signalled larger increases at its upcoming meetings

- The Euro depreciated almost 1.20% to 20 year's low on Wednesday amid strong US dollar. Further, sharp drop in Germany 10 years bond yields pressurised the Euro
- The pound dropped yesterday to levels last seen in March 1985 amid a sharp rise in the US dollar. Further, the sterling was pressurised after data showed Britain's budget deficit was bigger than expected in August. However, further downside was restricted as the British government said it would cap wholesale electricity and gas costs for businesses at less than half the market rate from next month

Follow-up

Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Crude oil	Oct	Sell	6760-6770	6660	6820	Stop loss Triggered
EURINR	Sep	Sell	79.88-79.90	79.58	80.08	Not Initiated

Bullion Outlook

- MCX gold prices rose on Wednesday as Russian President Vladimir Putin's move to mobilise more troops over the conflict in Ukraine drew investors to the safe haven asset
- However, sharp upside was capped by steep rise in dollar index
- MCX gold prices are expected to trade with a negative bias for the day amid aggressive interest rate hike by the US Fed, which will dent demand for bullion. It is likely to trade towards its key support level of ₹ 49,200
- Additionally, investors will closely watch initial jobless claims data from the US

MCX Gold vs Silver Performance



MCX Price Performance

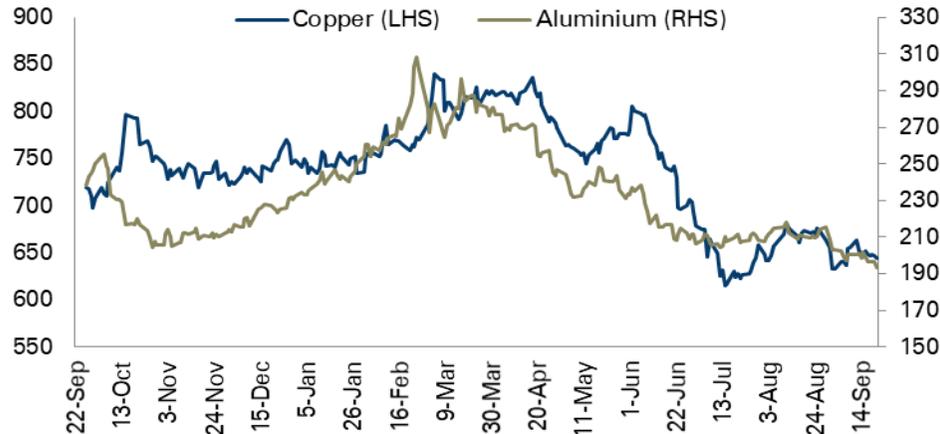
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	49404	0.47%	1682.95	0.71%
Silver	57326	1.74%	19.65	2.42%
MCXBULLDEX	13746	0.75%	-	-
Copper	643.05	-0.52%	7662.00	-1.24%
Aluminium	193.90	-1.32%	2209.00	-1.63%
Zinc	278.60	-0.45%	3098.00	-0.97%
Lead	179.90	0.22%	1880.50	-0.21%
WTI Crude Oil	6720	-0.36%	83.33	-0.73%
US Nat Gas	620.1	0.24%	7.78	0.83%
MCXENRGDEX	9140	0.24%	-	-

Daily Commodity Pivot Levels

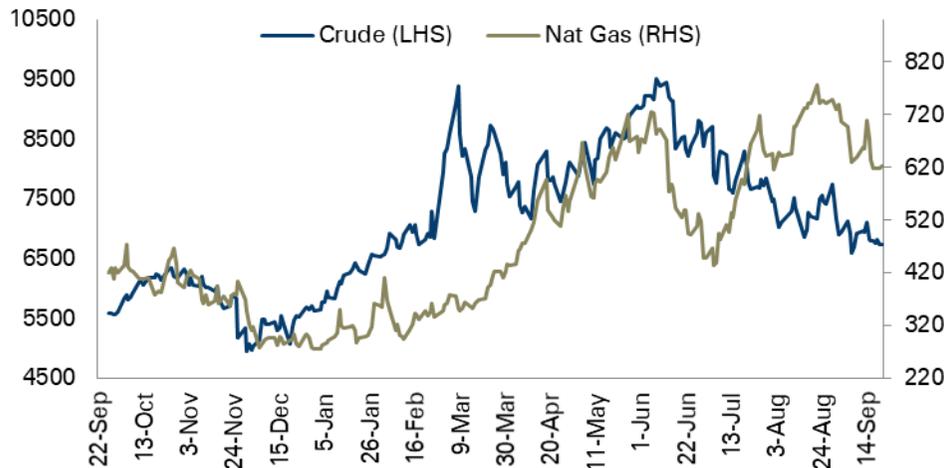
Commodity	S2	S1	Pivot	R1	R2
Gold	48907	49156	49362	49611	49817
Silver	55928	56627	57180	57879	58432
MCXBULLDEX	13566	13656	13721	13811	13876
Copper	637.9	640.5	645.6	648.2	653.4
Aluminium	190.4	192.1	194.7	196.4	199.0
Zinc	275.0	276.8	279.1	280.9	283.1
Lead	178.7	179.3	180.1	180.7	181.4
Crude Oil	6463	6592	6771	6900	7079
Nat Gas	582.8	601.5	625.5	644.2	668.2
MCXENRGDEX	8736	8938	9191	9393	9646

Source: Bloomberg, Reuters, ICICI Direct Research

MCX Copper vs. Aluminium Performance



MCX Crude Oil vs. Natural Gas Performance



Base Metal Outlook

- MCX copper prices fell on Wednesday as London Metal Exchange (LME) warehouses saw 11,200 tonnes of copper arrivals on Tuesday, the largest single-day warranting since June
- Further, copper prices were pressurised on concerns over global economic slowdown, which may hamper base metals demand
- However, further downside was prevented by strong existing home sales data from the US
- We expect copper prices to trade with a negative bias for the day amid strong US dollar index. It is likely to trade towards its key support level of ₹ 633 in coming trading sessions

Energy Outlook

- Nymex crude oil prices tumbled almost 0.70% to a near two-week low in volatile trade on Wednesday, after the US Federal Reserve delivered another hefty rate hike to quell inflation that could reduce economic activity and demand for oil
- However, further downside was prevented after data showed US commercial crude oil inventories dropped from 431.9 million barrels to 430.8 million barrels in the last week
- We expect MCX crude oil prices to trade with a positive bias for the day as US gasoline demand over the past four weeks fell to 8.5 million barrels per day (bpd), its lowest since February

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
ECB Economic Bulletin	EUR	1:30 PM	-	-	-	Medium
BoE Interest Rate Decision (Sep)	GBP	4:30 PM	-	2.25%	1.75%	High
Initial Jobless Claims	USD	6:00 PM	-	218K	213K	High

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Source: Bloomberg, Reuters, ICICI Direct Research

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