

September 23, 2022

## Daily Currency & Commodity Outlook

### Daily Recommendation

Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude oil	Oct	Buy	6800-6810	6900	6740	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	111.21	111.28	-0.06%
US\$INR	80.92	80.00	1.15%
EURUSD	0.9844	0.9845	-0.01%
EURINR	79.83	79.43	0.50%
GBPUSD	1.1265	1.1265	0.00%
GBPINR	91.39	90.77	0.68%

## Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Sep-22)	79.86	80.39	80.69	81.22	81.51
US\$INR (27th Oct-22)	80.10	80.62	80.91	81.44	81.73
EURINR (28th Sep-22)	78.47	79.16	79.59	80.27	80.70
EURINR (27th Oct-22)	78.96	79.60	79.98	80.62	81.00
GBPINR (28th Sep-22)	89.51	90.49	91.23	92.21	92.95
GBPINR (27th Oct-22)	89.88	90.85	91.58	92.55	93.27
JPYINR (28th Sep-22)	54.64	55.70	56.50	57.56	58.36
JPYINR (27th Oct-22)	54.94	56.00	56.80	57.86	58.66

- Rupee future maturing on September 28 depreciated by 1.15% and hit a record low on Thursday as the dollar surged on the Federal Reserve's rate hike of 75 bps and maintaining a stance that is more hawkish than expected
- The US dollar traded flat yesterday after touching two decades high despite sharp interest rate hike by US Fed and strong economic data. The number of Americans filing new claims for unemployment benefits rose to 213,000, below market expectations of 218,000

- The Euro traded flat yesterday despite a rise in Germany 10 year's bond yields. Further, sharp downside was prevented as the German government is expected to provide urgent financial support to regional state-owned energy providers, which are struggling to cope with soaring gas prices
- The pound traded flat yesterday despite interest rate hike by BoE. The BoE raised its benchmark rate by 50 basis points (bps) to 2.25%, as it targets consumer inflation near 40-year highs and vowed to "respond forcefully, as necessary" to rising prices

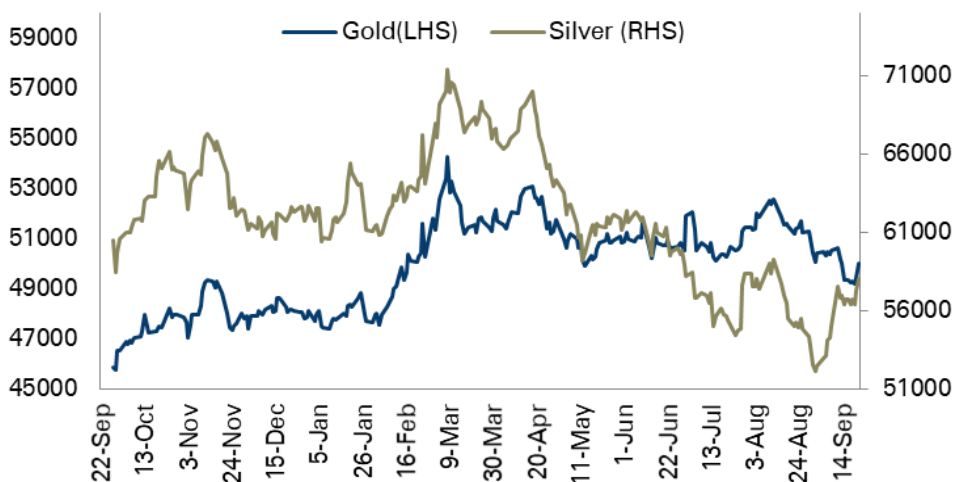
## Follow-up

Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Copper	Sep	Sell	644-644.20	638	648	Not Initiated
GBPINR	Sep	Sell	90.68-90.70	90.40	90.90	Stop loss Triggered

## Bullion Outlook

- MCX gold prices edged higher by more than 1.00% on Thursday as interest rate hike by the US Fed raised fears over a possible recession
- However, upsides were restricted by a sharp rise in US 10 year's treasury yields
- MCX gold prices are expected to trade with a positive bias for the day amid growing fears of possible global recession. It is likely to surpass hurdle of ₹ 50,250 to continue its upward trend towards the key resistance level of ₹ 50,650 in coming trading sessions
- Additionally, investors will closely watch manufacturing PMI and services PMI data from the US

## MCX Gold vs Silver Performance



## MCX Price Performance

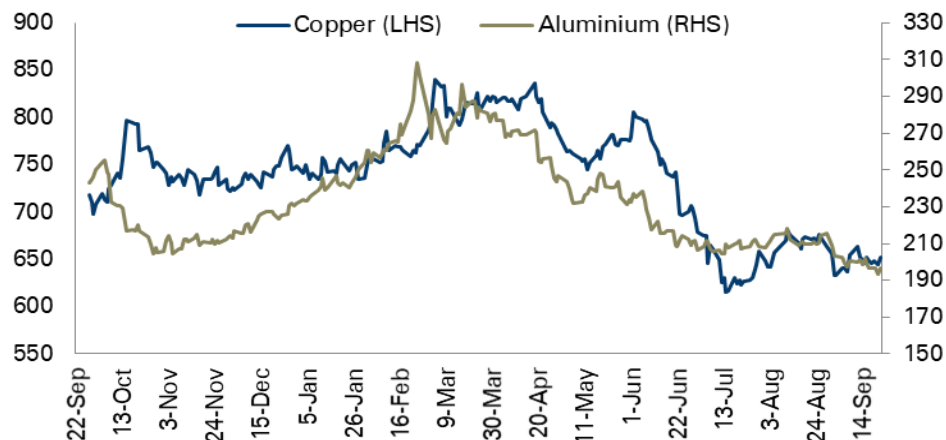
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	50014	1.15%	1681.30	0.33%
Silver	58008	1.24%	19.64	0.83%
MCXBULLDEX	13907	1.13%	-	-
Copper	652.15	1.23%	7678.00	-0.16%
Aluminium	196.85	1.70%	2229.00	1.20%
Zinc	281.85	1.28%	3109.00	0.34%
Lead	180.00	0.03%	1837.00	-2.31%
WTI Crude Oil	6805	0.93%	83.69	0.90%
US Nat Gas	598.0	-3.83%	7.36	-5.33%
MCXENRGDEX	9050	-0.98%	-	-

## Daily Commodity Pivot Levels

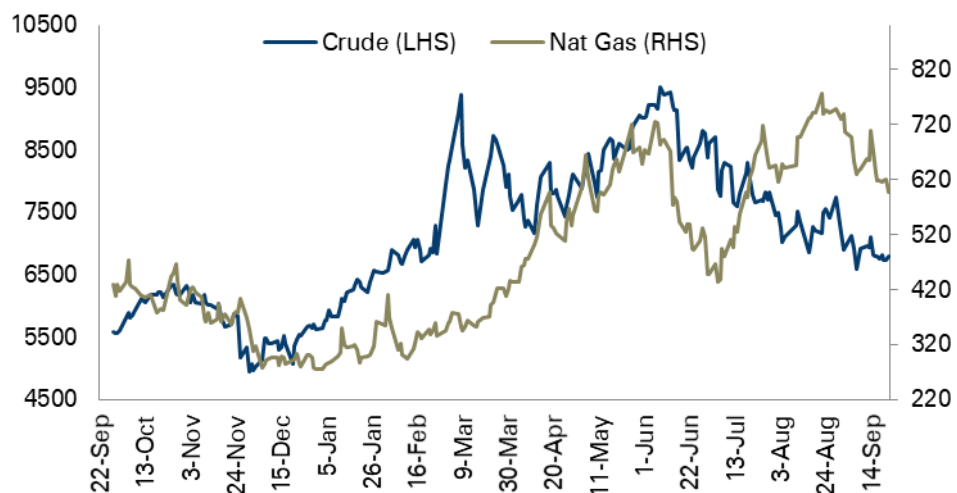
Commodity	S2	S1	Pivot	R1	R2
Gold	48973	49494	49834	50355	50695
Silver	56286	57147	57822	58683	59358
MCXBULLDEX	13596	13751	13862	14017	14128
Copper	641.0	646.6	651.0	656.6	661.0
Aluminium	192.5	194.7	196.2	198.4	199.9
Zinc	277.7	279.8	281.6	283.7	285.6
Lead	178.6	179.3	180.2	180.9	181.7
Crude Oil	6566	6686	6830	6950	7094
Nat Gas	568.3	583.2	606.3	621.2	644.3
MCXENRGDEX	8786	8918	9128	9260	9469

Source: Bloomberg, Reuters, ICICI Direct Research

## MCX Copper vs. Aluminium Performance



## MCX Crude Oil vs. Natural Gas Performance



## Base Metal Outlook

- MCX industrial metal prices advanced on Wednesday amid optimism that Chinese stimulus measures would boost demand
- Shanghai announced 1.8-trillion-yuan investment worth of infrastructure projects, heeding national policymaker's calls to revive slow economic growth
- We expect copper prices to trade with a positive bias for the day as data showed that global refined copper market showed a 30,000 tonne deficit in July, bringing the deficit level in the first seven months of the year to 126,000 tonnes

## Energy Outlook

- MCX crude oil prices rose yesterday as crude oil demand in China, the world's largest oil importer, is rebounding, having been dampened by strict Covid-19 restrictions
- MCX natural gas prices dropped by almost 3.60% amid a rise in US natural gas inventories from 2,771 bcf to 2874 bcf last week
- We expect MCX natural gas prices to trade with a positive bias for the day amid forecasts of milder weather through early October that should allow utilities to inject more gas than usual into storage over the next few weeks

Data	Country	Time	Actual	Expected	Previous	Impact
German Manufacturing PMI (Sep)	EUR	1:00 PM	-	48.8	49.1	High
German Services PMI (Sep)	EUR	1:00 PM	-	47.2	47.7	High
Manufacturing PMI	GBP	2:00 PM	-	-	47.3	High
Services PMI	GBP	2:00 PM	-	-	50.9	High
Composite PMI	GBP	2:00 PM	-	-	49.6	High
Manufacturing PMI (Sep)	USD	7:15 PM	-	51.1	51.5	Medium
Services PMI (Sep)	USD	7:15 PM	-	45	43.7	Medium
Fed Chair Powell Speaks	USD	11:30 PM	-	-	-	High

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*Source: Bloomberg, Reuters, ICICI Direct Research*

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