

September 26, 2022

Daily Currency & Commodity Outlook

Daily Recommendation						
Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	Oct	Sell	637-637.5	627	643	1 day
EURINR	Sep	Sell	79.20-79.22	78.90	79.40	1 day

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Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	113.03	111.21	1.64%
US\$INR	81.12	80.92	0.25%
EURUSD	0.9686	0.9844	-1.61%
EURINR	79.21	79.83	-0.78%
GBPUSD	1.0850	1.1265	-3.68%
GBPINR	89.66	91.39	-1.89%

Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Sep-22)	80.56	80.77	81.03	81.24	81.49
US\$INR (27th Oct-22)	80.75	80.99	81.25	81.49	81.75
EURINR (28th Sep-22)	78.53	78.84	79.37	79.68	80.22
EURINR (27th Oct-22)	78.98	79.28	79.79	80.09	80.60
GBPINR (28th Sep-22)	89.87	90.30	90.82	91.26	91.78
GBPINR (27th Oct-22)	90.19	90.62	91.19	91.62	92.19
JPYINR (28th Sep-22)	56.35	56.55	56.92	57.12	57.49
JPYINR (27th Oct-22)	56.68	56.85	57.20	57.38	57.73

- Rupee future maturing on September 28 depreciated on Friday amid a sharp decline in domestic equity markets. However, a drop in crude oil prices prevented further downside
- The US dollar edged higher to a 22-year high as fears grew that a central bank prescription of raising interest rates to tame inflation will drag major economies into recession. Further, strong economic data from the US supported the dollar

- The Euro depreciated by 1.40% on Friday amid weak economic data from the eurozone. Eurozone Services PMI fell to 48.9 in September 2022 from 49.8 in August, pointing to a second consecutive month of contraction in services activity. It is also the lowest reading since February last year
- The pound tanked more than 3.4% on Friday in its biggest one-day fall since March 2020 as UK's economic problems deepened in September as falling business activity indicates that the economy is likely in recession

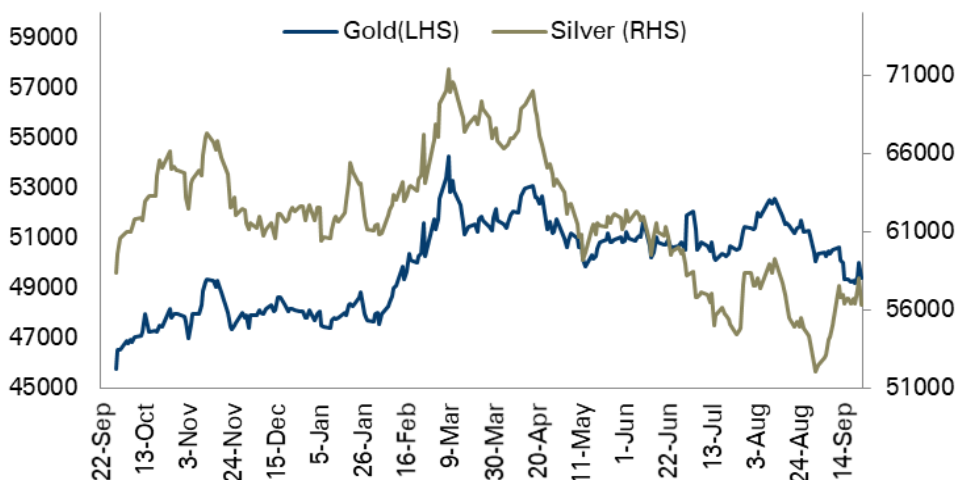
Follow-up

Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Crude oil	Oct	Buy	6800-6810	6900	6740	Not Initiated
EURINR	Sep	Sell	79.80-79.82	79.50	80.00	Target Achieved

Bullion Outlook

- MCX gold prices dropped by 1.50% on Friday amid strong economic data from the US
- US Services PMI rose to 49.2 in September 2022 from 43.7 in the previous month, easily beating market expectations of 45.0
- Further, bullion prices were pressurised by a steep rise in US dollar index
- MCX gold prices are expected to trade with a negative bias for the day amid strong US dollar index. It is likely to break the key support level of ₹ 49,180 to continue its downward trend towards the level of ₹ 48,950 in the coming trading session

MCX Gold vs Silver Performance



MCX Price Performance

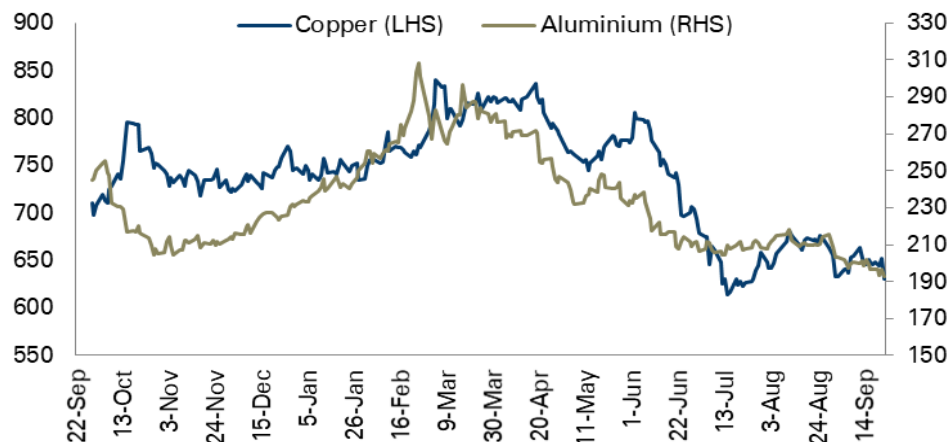
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	49399	-1.20%	1651.45	-1.76%
Silver	56275	-3.02%	18.86	-3.84%
MCXBULLDEX	13700	-1.45%	-	-
Copper	630.80	-3.30%	7448.50	-3.01%
Aluminium	193.00	-2.01%	2171.00	-2.58%
Zinc	273.50	-3.08%	3009.00	-3.14%
Lead	180.75	0.44%	1851.50	0.79%
WTI Crude Oil	6434	-5.48%	79.40	-4.90%
US Nat Gas	553.2	-6.81%	6.86	-3.23%
MCXENRGDEX	8542	-5.38%	-	-

Daily Commodity Pivot Levels

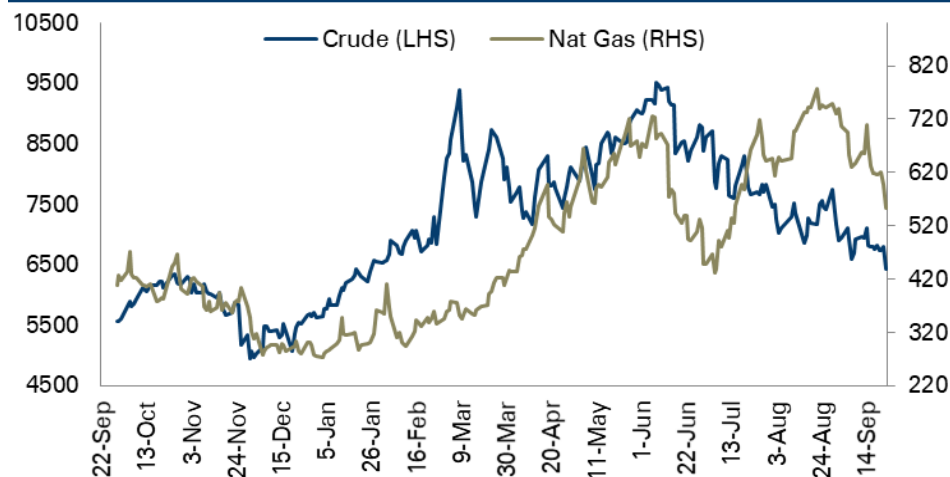
Commodity	S2	S1	Pivot	R1	R2
Gold	48762	49080	49569	49887	50376
Silver	54622	55449	56849	57676	59076
MCXBULLDEX	13535	13617	13776	13858	14017
Copper	613.3	622.1	636.7	645.5	660.1
Aluminium	187.6	190.3	193.7	196.4	199.8
Zinc	266.4	270.0	275.9	279.4	285.3
Lead	175.7	178.2	179.9	182.4	184.1
Crude Oil	6123	6278	6534	6689	6945
Nat Gas	516.3	534.7	562.5	580.9	608.7
MCXENRGDEX	8146	8344	8676	8874	9205

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 Friday to its lowest levels in nearly two months amid strong US dollar
- Further, copper prices were pressurised on fears of recession, which may hit metal demand further after aggressive increase in interest rates
- We expect copper prices to trade with a negative bias for the day amid worries that central banks will allow the economy to slip into recession in an attempt to bring inflation under control, which may dent demand for base metals

Energy Outlook

- MCX crude oil prices plunged about 5.6% to an eight-month low on Friday amid fears of rising interest rates tipping major economies into recession, cutting demand for oil
- MCX Natural gas prices dropped almost 6.80% as major cities across the US are passing bans on gas stoves and other appliances that run on natural gas on account of their planet-warming emissions
- We expect MCX natural gas prices to trade with a negative bias for the day amid expectations of weak natural gas demand from the US

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
German GDP (QoQ) (Q3)	EUR	11:30 AM	-	0.10%	0.10%	High
German Ifo Business Climate Index (Sep)	EUR	1:30 PM	-	87	88.5	High
ECB President Lagarde Speaks	EUR	6:30 PM	-	-	-	High

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Source: Bloomberg, Reuters, ICICI Direct Research

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