

September 27, 2022

Daily Currency & Commodity Outlook

Daily Recommendation						
Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude oil	Oct	Sell	6330-6340	6230	6390	1 day
EURINR	Sep	Sell	78.70-78.72	78.40	78.90	1 day

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Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DX	114.12	113.03	0.96%
US\$INR	81.71	81.12	0.73%
EURUSD	0.9610	0.9686	-0.78%
EURINR	78.72	79.21	-0.62%
GBPUSD	1.0681	1.0850	-1.56%
GBPINR	87.70	89.66	-2.19%

Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Sep-22)	84.19	86.15	87.15	89.10	90.10
US\$INR (27th Oct-22)	81.58	81.77	81.88	82.07	82.18
EURINR (28th Sep-22)	78.08	78.41	78.80	79.13	79.52
EURINR (27th Oct-22)	78.55	78.87	79.25	79.57	79.96
GBPINR (28th Sep-22)	84.19	86.15	87.15	89.10	90.10
GBPINR (27th Oct-22)	84.38	86.41	87.58	89.61	90.78
JPYINR (28th Sep-22)	56.37	56.52	56.73	56.88	57.10
JPYINR (27th Oct-22)	56.72	56.86	57.04	57.18	57.36

- Rupee future maturing on September 28 depreciated by 0.73% yesterday to an all-time low of 81.71 amid strengthening of the US dollar and risk-averse sentiment among investors

- The US dollar edged higher by almost 1% to a new 22-year high as the Fed signalled it will maintain its hawkish stance and go for further large rate hikes. Further, a sharp rise in US 10 year's treasury yields supported the dollar

- The Euro depreciated on Monday to a 20-year low amid weak economic data from the eurozone. The LFO Business Climate indicator for Germany dropped to 84.3 in September 2022, the lowest level since the aftermath of the Covid-19 pandemic shock in May 2020 and well below market consensus of 87.0

- The pound fell back towards an all-time low on Monday after a statement from the Bank of England (BoE) disappointed market expectations for an emergency rate hike to shore up the weak British currency

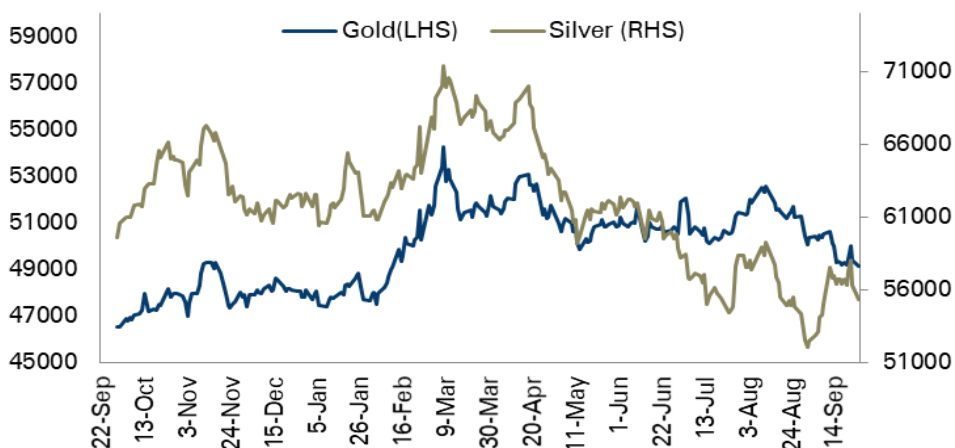
Follow-up

Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Copper	Oct	Sell	637-637.5	627	643	Exit in Profit
EURINR	Sep	Sell	79.20-79.22	78.90	79.40	Not Initiated

Bullion Outlook

- MCX gold prices remained volatile and dropped by 0.56% yesterday amid a sharp rise in the US dollar and US 10 year's treasury yields
- However, rising worries over a global recession prevented further downside in bullion prices
- 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 ₹ 48,960 to continue its downward trend towards the level of ₹ 48,900 in the coming trading sessions
- Additionally, investors will stay vigilant ahead of CB consumer confidence data from the US

MCX Gold vs Silver Performance



MCX Price Performance

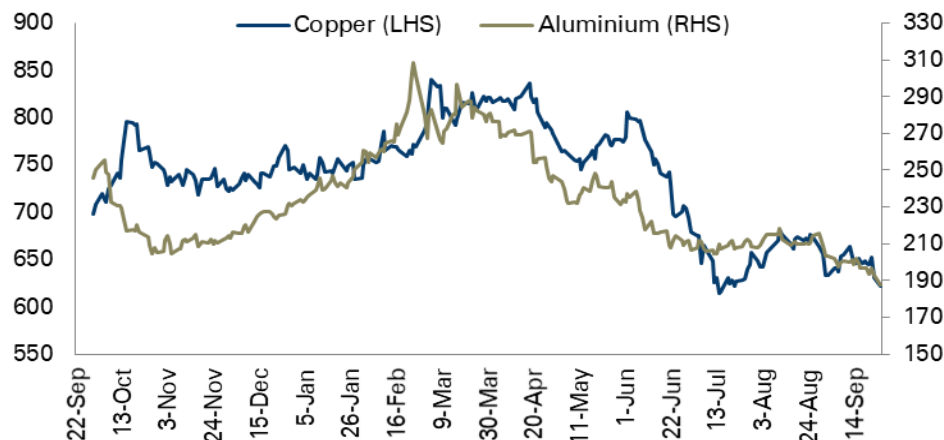
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	49125	-0.56%	1629.85	-1.56%
Silver	55315	-1.63%	18.34	-3.03%
MCXBULLDEX	13618	-0.53%	-	-
Copper	621.60	-1.33%	7307.00	-1.90%
Aluminium	187.60	-2.22%	2133.00	-1.75%
Zinc	263.95	-3.47%	2898.00	-3.69%
Lead	175.40	-3.01%	1804.00	-2.57%
WTI Crude Oil	6339	-1.35%	76.50	-2.84%
US Nat Gas	566.6	1.96%	7.04	0.70%
MCXENRGDEX	8499	-0.50%	-	-

Daily Commodity Pivot Levels

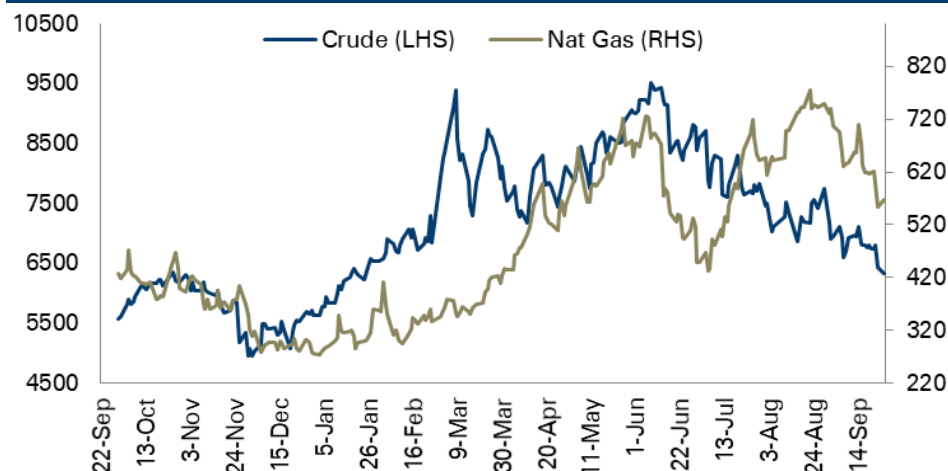
Commodity	S2	S1	Pivot	R1	R2
Gold	48723	48924	49306	49507	49889
Silver	54231	54773	55792	56334	57353
MCXBULLDEX	13477	13547	13656	13726	13835
Copper	611.9	616.8	625.1	630.0	638.3
Aluminium	182.5	185.1	189.2	191.8	195.9
Zinc	257.3	260.6	266.7	270.0	276.0
Lead	170.2	172.8	177.9	180.5	185.6
Crude Oil	6116	6227	6404	6515	6692
Nat Gas	519.9	543.3	555.1	578.5	590.3
MCXENRGDEX	8294	8397	8513	8615	8731

Source: Bloomberg, Reuters, ICICI Direct Research

MCX Copper vs. Aluminium Performance



MCX Crude Oil vs. Natural Gas Performance



Base Metal Outlook

- MCX industrial metals prices dropped yesterday on fears of a global growth slowdown and weaker demand
- Further, a sharp rise in copper LME warehouse inventories pressurised copper prices
- We expect copper prices to trade with a negative bias for the day amid a continuous rise in copper LME warehouse inventories. It is likely to trade towards the key support level of ₹ 617 in coming trading session
- Additionally, investors will focus on new home sales data from the US

Energy Outlook

- MCX crude oil prices tumbled by 1.40% on Monday, settling at nine-month lows in choppy trade, by a strengthening dollar as market participants awaited details on new sanctions on Russia
- Further, crude oil prices were pressurised after data showed funds have sold a total of 186 million barrels over the 16 weeks since the start of June, according to records published by ICE Futures Europe and the US Commodity Futures Trading Commission
- We expect MCX crude oil prices to trade with a negative bias for the day on expectations that an imminent recession will hit fuel consumption

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Fed Chair Powell Speaks	USD	5:00 PM	-	-	-	High
ECB President Lagarde Speaks	EUR	5:00 PM	-	-	-	High
Core Durable Goods Orders (MoM) (Aug)	USD	6:00 PM	-	0.20%	0.20%	High
New Home Sales (Aug)	USD	7:30 PM	-	500K	511K	High
CB Consumer Confidence (Sep)	USD	7:30 PM	-	104.5	103.2	High

Source: Bloomberg, Reuters, ICICI Direct Research

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Source: Bloomberg, Reuters, ICICI Direct Research

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