

September 28, 2022

Daily Currency & Commodity Outlook

Daily Recommendation

Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	Oct	Sell	627.80-628	620	633.1	1 day
EURINR	Oct	Sell	79.08-79.10	78.80	79.30	1 day

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Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	114.33	114.12	0.18%
US\$INR	81.54	81.71	-0.21%
EURUSD	0.9585	0.9610	-0.26%
EURINR	78.65	78.72	-0.09%
GBPUSD	1.0689	1.0681	0.07%
GBPINR	88.16	87.70	0.52%

Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Sep-22)	81.13	81.34	81.50	81.71	81.87
US\$INR (27th Oct-22)	81.41	81.62	81.78	82.00	82.16
EURINR (28th Sep-22)	78.26	78.46	78.60	78.79	78.93
EURINR (27th Oct-22)	78.74	78.91	79.05	79.23	79.37
GBPINR (28th Sep-22)	87.23	87.69	88.06	88.53	88.89
GBPINR (27th Oct-22)	87.59	88.05	88.40	88.85	89.21
JPYINR (28th Sep-22)	56.13	56.31	56.47	56.65	56.81
JPYINR (27th Oct-22)	56.50	56.67	56.82	56.99	57.15

- Rupee future maturing on September 28 appreciated yesterday after touching an all-time low of 81.72 on expectations that the RBI may raise interest rates by 50 basis points
- The US dollar edged higher on Tuesday amid better economic data from the US. New orders for US manufactured durable goods declined 0.2% MoM in August 2022, following a revised 0.1% drop in July and compared to market forecasts of a bigger 0.4% fall

- The Euro depreciated on Tuesday after the European Central Bank vice-president Luis de Guindos said one has to take into consideration the fact that there is going to be a slowdown in the economy and simultaneously higher interest rates will have a clear impact on the solvency of corporates
- The pound rebounded yesterday from its all-time low after BoE chief economist Huw Pill said the BOE is likely to deliver a "significant policy response" to Finance Minister Kwasi Kwarteng's huge tax cuts but wants to wait until its next scheduled meeting in November before making its move

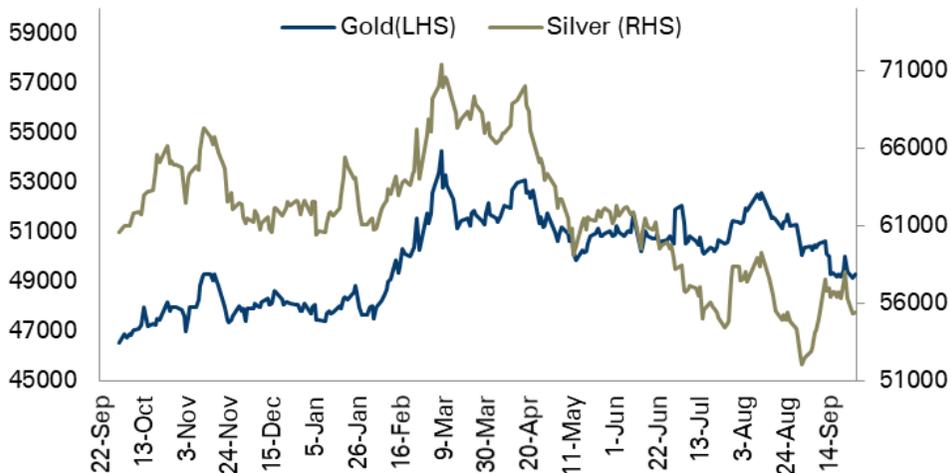
Follow-up

Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Crude oil	Oct	Sell	6330-6340	6230	6390	Stop loss Triggered
EURINR	Sep	Sell	78.70-78.72	78.40	78.90	Target Achieved

Bullion Outlook

- MCX gold prices advanced on Tuesday amid growing fears of the global economy going into recession
- However, strong macroeconomic data from the US prevented further upside 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 ₹ 49,150 to trade in a downward trend towards the level of ₹ 48,900 in the coming trading session
- Additionally, silver prices are likely to take cues from gold prices and drop towards the level of ₹ 54,400

MCX Gold vs Silver Performance



MCX Price Performance

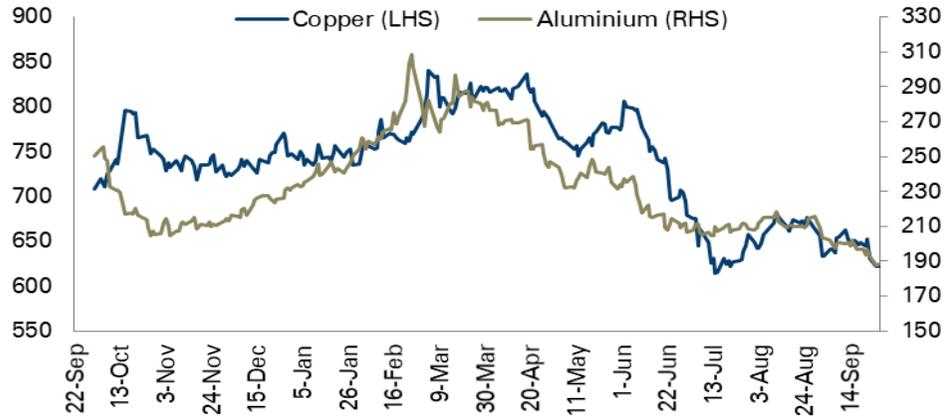
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	49315	0.34%	1638.35	0.30%
Silver	55430	0.14%	18.40	-0.42%
MCXBULLDEX	13640	0.27%	-	-
Copper	621.40	-0.16%	7279.00	-0.38%
Aluminium	188.50	0.08%	2112.00	-0.98%
Zinc	260.80	-1.17%	2843.00	-1.90%
Lead	176.30	0.28%	1804.00	-2.57%
WTI Crude Oil	6490	2.46%	78.94	2.91%
US Nat Gas	549.0	-2.50%	6.82	-2.84%
MCXENRGDEX	8518	0.22%	-	-

Daily Commodity Pivot Levels

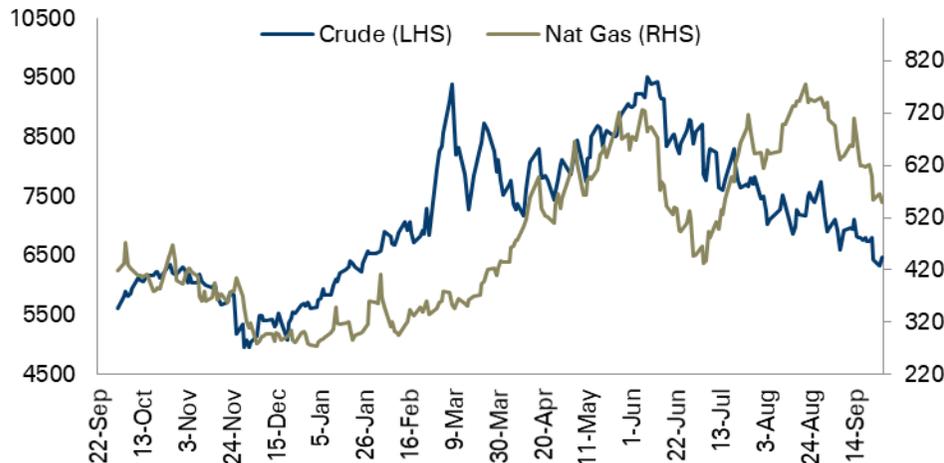
Commodity	S2	S1	Pivot	R1	R2
Gold	48882	49098	49299	49515	49716
Silver	54637	55034	55605	56002	56573
MCXBULLDEX	13549	13595	13647	13693	13745
Copper	615.8	618.6	624.2	627.0	632.5
Aluminium	186.3	187.4	189.4	190.5	192.5
Zinc	256.3	258.6	263.0	265.3	269.7
Lead	175.2	175.7	176.4	177.0	177.7
Crude Oil	6243	6367	6443	6567	6643
Nat Gas	524.2	536.6	558.2	570.6	592.2
MCXENRGDEX	8282	8400	8537	8655	8792

Source: Bloomberg, Reuters, ICICI Direct Research

MCX Copper vs. Aluminium Performance



MCX Crude Oil vs. Natural Gas Performance



Base Metal Outlook

- MCX copper prices declined yesterday amid a continuous rise in copper LME warehouse inventories
- However, sharp downside was prevented by strong new home sales data from the US. New home sales in the US soared to a five-month high of 685,000 in August 2022 and above market expectations of 500,000
- We expect copper prices to trade with a negative bias for the day amid global economic slowdown and weak demand
- Additionally, investors will focus on pending home sales data from the US

Energy Outlook

- MCX crude oil prices advanced almost 2.00% on Tuesday from a nine-month low a day earlier, supported by supply curbs in the US Gulf of Mexico ahead of Hurricane Ian
- Further, crude oil prices were supported as Russia is likely to propose that Opec+ should reduce oil output by around 1 million barrels per day at its next meeting in October
- We expect MCX crude oil prices to trade with a positive bias for the day on expectations that Opec will cut crude oil production to break the negative momentum in prices amid recession fears

Data	Country	Time	Actual	Expected	Previous	Impact
GfK German Consumer Climate (Oct)	EUR	11:30 AM	-	-39	-36.5	Medium
ECB President Lagarde Speaks	EUR	12:45 PM	-	-	-	High
RBI MPC Meeting Minutes	INR	5:00 PM	-	-	-	High
Goods Trade Balance (Aug)	USD	6:00 PM	-	-	-90.19B	Medium
Pending Home Sales (MoM) (Aug)	USD	7:30 PM	-	-1.40%	-1.00%	High
Fed Chair Powell Speaks	USD	7:45 PM	-	-	-	High
Crude Oil Inventories	USD	8:00 PM	-	0.333M	1.142M	High

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Source: Bloomberg, Reuters, ICICI Direct Research

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