

October 10, 2022

## Daily Currency & Commodity Outlook

Daily Recommendation						
Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	Oct	Sell	651-651.5	641	657	1 day
GBPINR	Oct	Sell	92.30-92.32	92.00	92.50	1 day

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# Daily Currency Snapshot

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	112.74	112.26	0.43%
US\$INR	82.40	82.33	0.09%
EURUSD	0.9739	0.9793	-0.55%
EURINR	80.85	81.45	-0.74%
GBPUSD	1.1091	1.1166	-0.67%
GBPINR	92.32	92.75	-0.46%

## Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th Oct-22)	82.12	82.26	82.33	82.47	82.55
US\$INR (28th Nov-22)	82.41	82.54	82.69	82.82	82.96
EURINR (27th Oct-22)	80.52	80.66	80.87	81.02	81.23
EURINR (28th Nov-22)	80.91	81.05	81.24	81.38	81.57
GBPINR (27th Oct-22)	91.43	91.87	92.23	92.67	93.03
GBPINR (28th Nov-22)	91.78	92.21	92.56	92.99	93.35
JPYINR (27th Oct-22)	56.72	56.86	57.00	57.13	57.27
JPYINR (28th Nov-22)	57.11	57.20	57.34	57.43	57.57

- Rupee future maturing on October 27 fell to a record low on Friday amid a sharp rise in crude oil prices. Further, a continuous drop in India forex reserves pressurised the rupee
- The US dollar appreciated on Friday after US data showed employers hired more workers than expected in September, suggesting the Federal Reserve will likely stick to its aggressive tightening policy for now

- The Euro depreciated on Friday amid weaker than expected economic data from the Euro area. Retail sales in Germany shrank 1.3% MoM in August 2022, compared to market forecasts of a 1.1% decline. It continued to point to a squeeze in consumer spending as price increases weigh on affordability
- The pound dropped more than 0.60% on Friday amid a strong US dollar. Furthermore, the pound was pressurised as concerns about the budget plan kept weighing on UK assets

## Follow-up

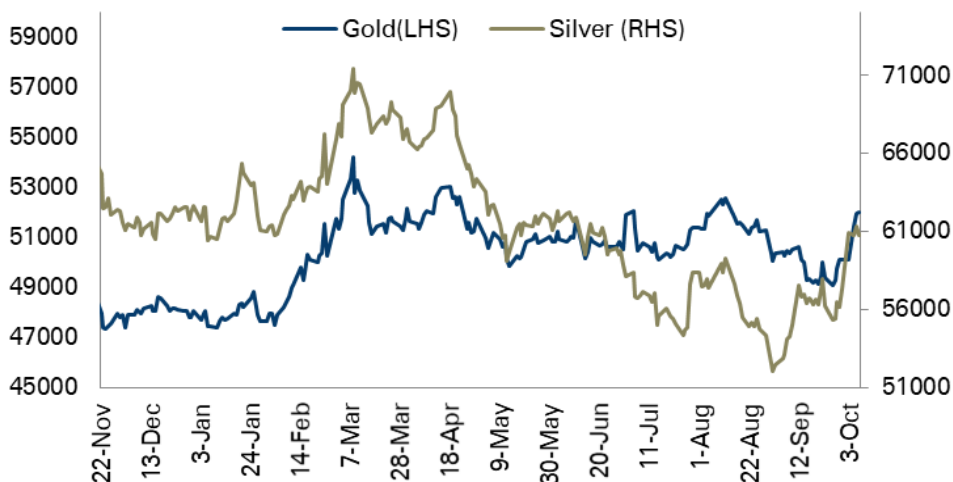
Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Natural gas	Oct	Buy	575.5-576	590	565	Not Initiated
GBPINR	Oct	Sell	92.75-92.80	92.45	92.95	Not Initiated

Source: Bloomberg, Reuters, ICICI Direct Research

## Bullion Outlook

- MCX gold prices traded flat on Friday despite strong macroeconomic data from the US
- The US unemployment rate fell to 3.5% in September 2022, matching July's 29-month low and remaining below market expectations of 3.7%
- MCX gold prices are expected to trade with a negative bias for the day amid a strong US dollar. It is likely to break the key support level of ₹ 51,800 to trade in a downward trend towards the level of ₹ 51,600 in the coming trading session
- Additionally, silver prices are likely to take cues from gold prices and trade in a downward trend towards the level of ₹ 59,500

## MCX Gold vs Silver Performance



## MCX Price Performance

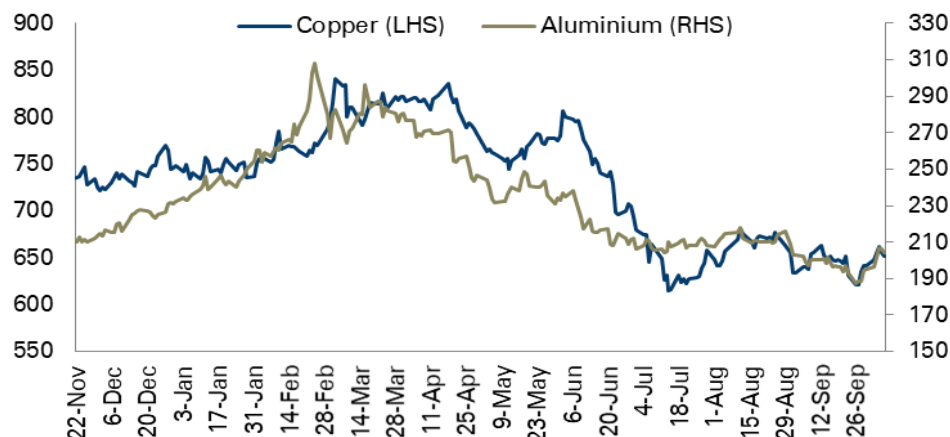
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	51999	0.05%	1701.80	-1.10%
Silver	60751	-0.97%	20.16	-2.42%
MCXBULLDEX	14470	-0.07%	-	-
Copper	651.25	-0.76%	7463.00	-1.47%
Aluminium	204.00	-1.16%	2302.50	-1.22%
Zinc	277.00	-1.91%	2973.00	-3.14%
Lead	182.40	0.27%	2070.50	0.58%
WTI Crude Oil	7637	5.11%	93.20	5.37%
US Nat Gas	567.9	-1.71%	6.61	-5.22%
MCXENRGDEX	9387	1.98%	-	-

## Daily Commodity Pivot Levels

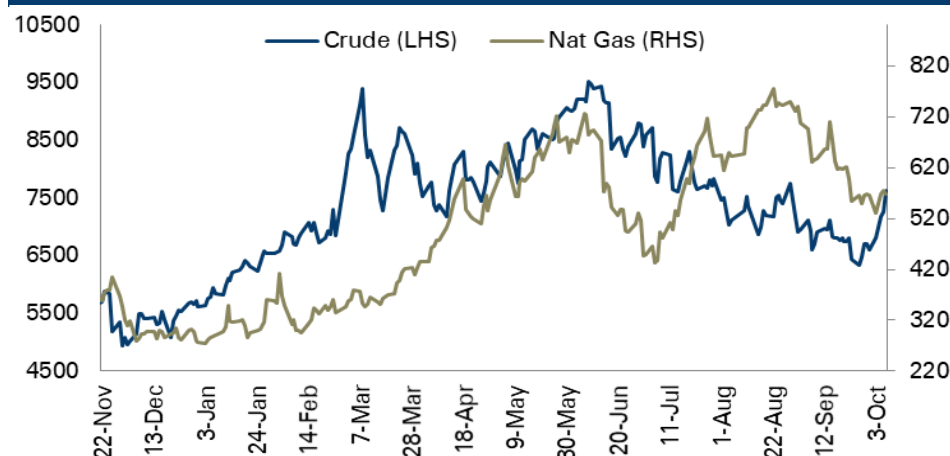
Commodity	S2	S1	Pivot	R1	R2
Gold	51436	51717	51919	52200	52402
Silver	59393	60072	61006	61685	62619
MCXBULLDEX	14290	14380	14465	14555	14640
Copper	643.1	647.2	652.4	656.5	661.8
Aluminium	200.7	202.4	205.7	207.3	210.6
Zinc	270.7	273.8	278.6	281.7	286.5
Lead	180.6	181.5	182.6	183.5	184.6
Crude Oil	7094	7366	7514	7786	7934
Nat Gas	546.1	557.0	565.4	576.3	584.7
MCXENRGDEX	8907	9147	9306	9546	9704

Source: Bloomberg, Reuters, ICICI Direct Research

## MCX Copper vs. Aluminium Performance



## MCX Crude Oil vs. Natural Gas Performance



## Base Metal Outlook

- MCX copper and aluminium prices tumbled on Friday amid strong US dollar index and after the US Federal Reserve officials reaffirmed their drive to crush inflation
- Further, copper prices were pressurised by a sharp rise in copper LME warehouse inventories
- Moreover, despite the ongoing supply disruptions, concerns over macro headwinds and recession fears dented demand for base metals
- We expect copper prices to trade with a negative bias for the day amid continuous rise in copper LME warehouse inventories

## Energy Outlook

- MCX crude oil prices advanced by 5.00% on Friday, holding at a five-week highs after data showed US Baker Hughes total rig count dropped from 765 to 762
- Moreover, crude oil prices were supported as Opec+ agreed to tighten global supply with a deal to cut production targets by 2 million barrels per day
- We expect MCX crude oil prices to trade with a positive bias for the day amid tightening of global crude oil supply from Opec+

# Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Sentix Investor Confidence (Oct)	EUR	2:00 PM	-	-33.5	-31.8	Medium
FOMC Member Brainard Speaks	USD	11:05 PM	-	-	-	Medium

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*Source: Bloomberg, Reuters, ICICI Direct Research*

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