

October 11, 2022

## Daily Currency & Commodity Outlook

Daily Recommendation						
Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural gas	Oct	Sell	540-540.50	530	546	1 day
EURINR	Oct	Sell	80.18-80.20	79.90	80.40	1 day

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# Daily Currency Snapshot

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	113.13	112.74	0.35%
US\$INR	82.57	82.40	0.21%
EURUSD	0.9705	0.9739	-0.35%
EURINR	80.18	80.85	-0.83%
GBPUSD	1.1060	1.1091	-0.28%
GBPINR	91.30	92.32	-1.10%

## Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th Oct-22)	82.19	82.39	82.62	82.82	83.06
US\$INR (28th Nov-22)	81.98	82.44	83.19	83.66	84.41
EURINR (27th Oct-22)	79.59	79.92	80.38	80.72	81.18
EURINR (28th Nov-22)	80.09	80.37	80.76	81.04	81.43
GBPINR (27th Oct-22)	90.67	91.02	91.46	91.82	92.26
GBPINR (28th Nov-22)	91.03	91.40	91.85	92.22	92.67
JPYINR (27th Oct-22)	56.62	56.76	56.95	57.10	57.28
JPYINR (28th Nov-22)	56.93	57.08	57.29	57.44	57.65

- Rupee future maturing on October 27 fell to a record low on Monday amid a negative trend in domestic equity markets. Further, a rise in the US dollar index pressurised the rupee

- The US dollar strengthened for a fourth consecutive session to above 113 on Monday, as investors continue to bet the Federal Reserve will press ahead with its aggressive tightening plans. Further, a sharp rise in US 10 year's treasury yield supported the US dollar

- The Euro depreciated yesterday amid a strong US dollar index. However, a sharp rise in German 10 year's bond yields prevented a further downside in the Euro

- The pound traded flat yesterday even after the Bank of England (BoE) expanded its support for financial markets. Further, a rise in US dollar pressurised the sterling

## Follow-up

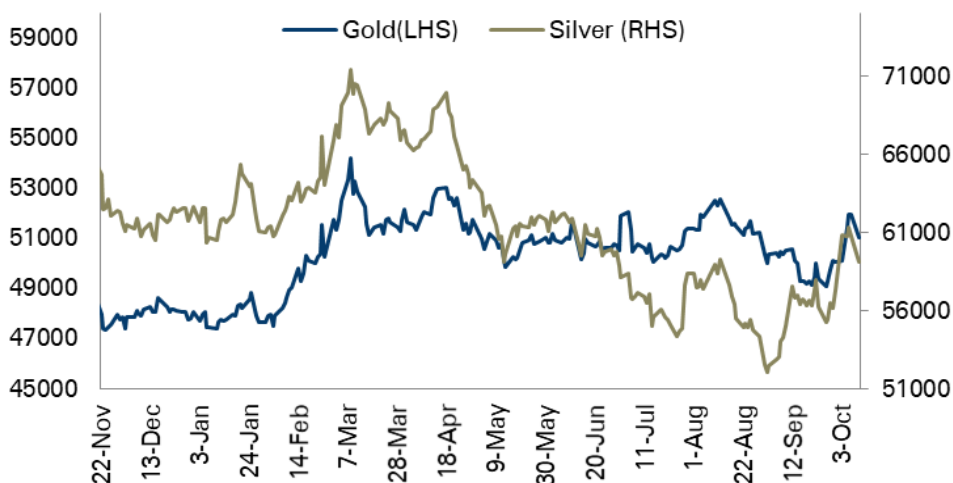
Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Copper	Oct	Sell	651-651.5	641	657	Stop loss Triggered
GBPINR	Oct	Sell	92.30-92.32	92.00	92.50	Not Initiated

Source: Bloomberg, Reuters, ICICI Direct Research

## Bullion Outlook

- MCX gold prices dropped by 1.80% yesterday on an elevated dollar and solidifying bets for an aggressive interest rate hike from the US Federal Reserve
- Further, a sharp rise in US 10 year's treasury yields pressurised bullion prices
- MCX gold prices are expected to trade with a negative bias for the day amid strong US dollar. It is likely to break the key support level of ₹ 50,950 to trade in a downward trend towards the level of ₹ 50,550 in coming trading sessions
- Additionally, silver prices are likely to take cues from gold prices and trade in a downward trend towards the level of ₹ 58,000

## MCX Gold vs Silver Performance



## MCX Price Performance

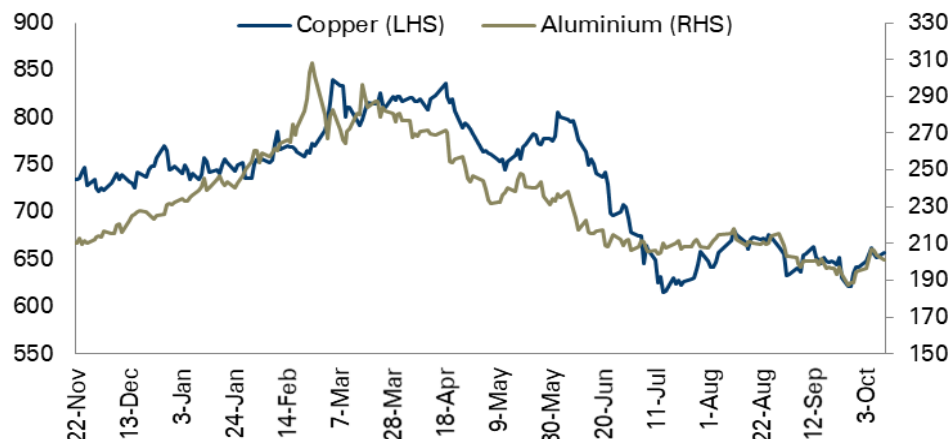
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	51037	-1.78%	1675.55	-1.97%
Silver	59149	-2.69%	19.63	-3.10%
MCXBULLDEX	14162	-2.01%	-	-
Copper	657.40	0.95%	7562.00	1.40%
Aluminium	200.90	-1.78%	2254.50	-1.94%
Zinc	275.05	-0.65%	2962.00	-0.99%
Lead	181.40	-0.52%	2070.50	0.58%
WTI Crude Oil	7576	-0.67%	90.85	-1.93%
US Nat Gas	540.8	-4.23%	6.51	-3.47%
MCXENRGDEX	9216	-1.82%	-	-

## Daily Commodity Pivot Levels

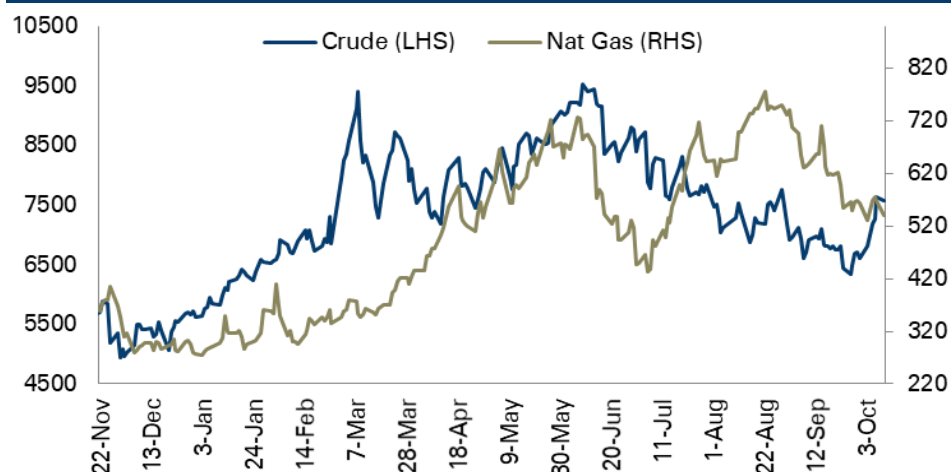
Commodity	S2	S1	Pivot	R1	R2
Gold	50424	50730	51208	51514	51992
Silver	58124	58637	59318	59831	60512
MCXBULLDEX	13923	14043	14247	14367	14571
Copper	643.8	650.6	655.4	662.2	667.0
Aluminium	198.0	199.4	202.1	203.5	206.2
Zinc	271.0	273.0	275.8	277.9	280.7
Lead	179.1	180.2	181.8	182.9	184.5
Crude Oil	7440	7508	7610	7678	7780
Nat Gas	517.8	529.3	549.9	561.4	582.0
MCXENRGDEX	8998	9107	9293	9403	9589

Source: Bloomberg, Reuters, ICICI Direct Research

## MCX Copper vs. Aluminium Performance



## MCX Crude Oil vs. Natural Gas Performance



## Base Metal Outlook

- MCX copper prices advanced almost 1.00% yesterday after the latest copper inventory data from the LME and the SHFE showed that the LME copper inventory fell to a new low of 102,000 mt in more than five months on September 16, while SHFE copper inventory fell to a new low in more than eight months
- However, poor demand prospects, particularly in top consumer China, restricted further upside in copper prices
- We expect copper prices to trade with a negative bias for the day amid surveys of purchasing managers in the manufacturing sector of China showed a faster contraction than expected

## Energy Outlook

- MCX crude oil prices edged lower on Monday as investors weighed economic storm clouds could trigger a global recession and erode fuel demand against potentially tighter supply
- Moreover, crude oil prices were pressurised after Saudi Aramco said they will keep supplies to Asian customers steady despite likely production cuts by tapping on inventories
- We expect MCX crude oil prices to trade with a positive bias for the day amid expectations that demand in Asia for crude oil is rising after data showed Asia's imports of crude oil recovered in September

# Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Claimant Count Change (Sep)	GBP	11:30 AM	-	4.2K	6.3K	High
Unemployment Rate (Aug)	GBP	11:30 AM	-	3.60%	3.60%	High
Average Earnings Index + Bonus (Aug)	GBP	11:30 AM	-	5.90%	5.50%	High

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*Source: Bloomberg, Reuters, ICICI Direct Research*

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