

October 12, 2022

Daily Currency & Commodity Outlook

Daily Recommendation						
Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude oil	Nov	Sell	7290-7300	7190	7350	1 day
GBPINR	Oct	Sell	91.35-91.37	91.05	91.55	1 day

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Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	112.98	113.13	-0.13%
US\$INR	82.41	82.57	-0.19%
EURUSD	0.9728	0.9705	0.24%
EURINR	80.23	80.18	0.06%
GBPUSD	1.1065	1.1060	0.05%
GBPINR	91.35	91.30	0.05%

Daily Currency Pivot levels

Futures	\$2	\$1	Pivot	R1	R2
US\$INR (27th Oct-22)	82.07	82.24	82.45	82.62	82.82
US\$INR (28th Nov-22)	82.42	82.55	82.71	82.84	83.00
EURINR (27th Oct-22)	79.77	80.04	80.19	80.47	80.62
EURINR (28th Nov-22)	80.19	80.45	80.60	80.87	81.02
GBPINR (27th Oct-22)	90.56	91.02	91.27	91.73	91.98
GBPINR (28th Nov-22)	90.94	91.39	91.63	92.08	92.32
JPYINR (27th Oct-22)	56.50	56.63	56.74	56.86	56.98
JPYINR (28th Nov-22)	56.85	56.95	57.06	57.16	57.27

- Rupee future maturing on October 27 appreciated marginally yesterday amid a sharp drop in crude oil prices. However, continued weakness in domestic equity markets prevented further upsides

- Dollar Index continued its attempts to settle above the resistance at 113 as demand for safe-haven assets stayed strong

- The Euro advanced yesterday amid weakness in the US dollar index. However, a drop in German 10 year's bond yields prevented a further upside in the Euro

- The pound appreciated on Tuesday amid stronger-than-expected economic data from Britain. The jobless rate in the UK fell to 3.5% in the three months to August 2022, a new low since 1974, below 3.6% in the previous period and market forecasts of 3.6%

Follow-up

Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Natural gas	Oct	Sell	540-540.50	530	546	Target Achieved
EURINR	Oct	Sell	80.18-80.20	79.90	80.40	Exit in Loss

Bullion Outlook

- MCX gold prices recovered marginally after Monday's huge losses amid weakness in the dollar index and US bond yields
- However, expectations of further interest rate hike by the Federal Reserve in the face of high inflation, prevented further upside in bullion prices
- MCX gold prices are expected to trade with a positive bias for the day amid weakness in the US dollar. It is likely to break the key resistance level of ₹ 51,350 to continue trading in an upward trend towards the level of ₹ 51,450 in the coming trading sessions
- Additionally, investors will closely watch PPI data from the US for more understanding

MCX Gold vs Silver Performance



MCX Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	51109	0.17%	1685.45	0.61%
Silver	58530	-0.97%	19.42	-0.99%
MCXBULLDEX	14185	0.16%	-	-
Copper	656.15	-0.13%	7589.00	0.14%
Aluminium	199.50	-0.70%	2250.50	-0.42%
Zinc	271.20	-1.47%	2937.00	-0.91%
Lead	180.60	-0.33%	1989.50	-3.91%
WTI Crude Oil	7375	-2.92%	89.16	-2.16%
US Nat Gas	544.3	0.41%	6.60	2.63%
MCXENRGDEX	9070	-1.58%	-	-

Daily Commodity Pivot Levels

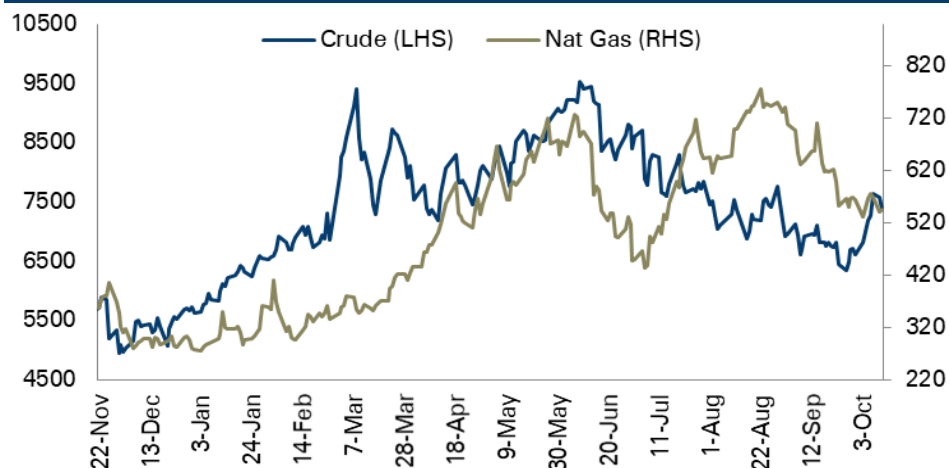
Commodity	S2	S1	Pivot	R1	R2
Gold	50504	50807	51012	51315	51520
Silver	57629	58079	58470	58920	59311
MCXBULLDEX	13992	14089	14139	14236	14286
Copper	642.7	649.4	654.4	661.1	666.1
Aluminium	193.4	196.4	198.7	201.8	204.1
Zinc	265.7	268.5	272.1	274.8	278.4
Lead	177.9	179.2	180.4	181.7	182.9
Crude Oil	7168	7271	7386	7489	7604
Nat Gas	516.4	530.4	540.1	554.1	563.8
MCXENRGDEX	8849	8959	9070	9180	9291

Source: Bloomberg, Reuters, ICICI Direct Research

MCX Copper vs. Aluminium Performance



MCX Crude Oil vs. Natural Gas Performance



Base Metal Outlook

- MCX copper and other base metals prices slumped on Tuesday on rising worries that an economic downturn will curb metals demand
- Further, an uptick in Covid cases in top metals consumer China also weighed on base metals prices
- However, weakness in the US dollar index cushioned base metal prices
- We expect copper prices to trade with a negative bias for the day amid a rise in Covid cases in top metals consumer China that may dent demand for base metals

Energy Outlook

- MCX crude oil prices fell about 3% on Tuesday, extending the previous session's decline of almost 2% as recession fears and a flare-up in Covid-19 cases in China raised concerns over global demand
- However, hedge funds and other money managers purchased the equivalent of 62 million barrels in the six most important petroleum futures and options contracts in the week ending October 4, preventing further downside
- We expect MCX crude oil prices to trade with a negative bias for the day on growing fears that a slowing global economy will hamper fuel demand

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
Trade Balance (Aug)	GBP	11:30 AM	-	-20.40B	-19.36B	Medium
GDP (MoM)	GBP	11:30 AM	-	0.00%	0.20%	High
Industrial Production (MoM) (Aug)	GBP	11:30 AM	-	-0.20%	-0.30%	High
Manufacturing Production (MoM) (Aug)	GBP	11:30 AM	-	0.20%	0.10%	High
Industrial Production (MoM) (Aug)	EUR	2:30 PM	-	0.60%	-2.30%	High
OPEC Monthly Report	USD	4:30 PM	-	-	-	Medium
CPI (YoY) (Sep)	INR	5:30 PM	-	7.30%	7.00%	Medium
PPI (MoM) (Sep)	USD	6:00 PM	-	0.20%	-0.10%	High
ECB President Lagarde Speaks	EUR	7:00 PM	-	-	-	High
EIA Short-Term Energy Outlook	USD	9:30 PM	-	-	-	High
FOMC Meeting Minutes	USD	11:30 PM	-	-	-	High

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Source: Bloomberg, Reuters, ICICI Direct Research

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