

October 13, 2022

Daily Currency & Commodity Outlook

Daily Recommendation

Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Aluminium	Oct	Buy	207.80-208	210	206.5	1 day
GBP/INR	Oct	Sell	91.28-91.30	91.00	91.50	1 day

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Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	113.24	113.29	-0.04%
US\$INR	82.43	82.41	0.02%
EURUSD	0.9701	0.9705	-0.04%
EURINR	80.13	80.23	-0.12%
GBPUSD	1.1100	1.1065	0.32%
GBPINR	91.26	91.35	-0.10%

Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (27th Oct-22)	82.18	82.31	82.41	82.54	82.63
US\$INR (28th Nov-22)	82.45	82.58	82.68	82.81	82.90
EURINR (27th Oct-22)	79.81	79.96	80.15	80.29	80.48
EURINR (28th Nov-22)	79.97	80.24	80.49	80.76	81.02
GBPINR (27th Oct-22)	89.71	90.49	91.00	91.78	92.29
GBPINR (28th Nov-22)	90.09	90.85	91.35	92.11	92.61
JPYINR (27th Oct-22)	56.24	56.31	56.45	56.52	56.65
JPYINR (28th Nov-22)	56.56	56.66	56.79	56.89	57.02

- Rupee future maturing on October 27 depreciated yesterday amid weaker-than-expected economic data from India. Industrial production in India shrank by 0.8% from a year earlier in August 2022, the first month of contraction since February 2021 and below market forecasts of 1.7% growth
- US dollar traded flat yesterday despite stronger than expected PPI data from the US. The producer price index for final demand in the US went up 0.4% MoM, twice the market expectation of a 0.2% rise

- The Euro traded flat on Wednesday despite stronger than expected industrial production data from the euro area. Industrial production in the euro area rose 1.5% from a month earlier in August 2022, rebounding from a 2.3% contraction in July and easily beating market expectations of 0.6% growth
- The British pound rebounded off a two-week low on Wednesday as investors cast doubt on the Bank of England's commitment to ending emergency bond buys as scheduled. However, further upside was restricted by weaker than expected GDP data from Britain

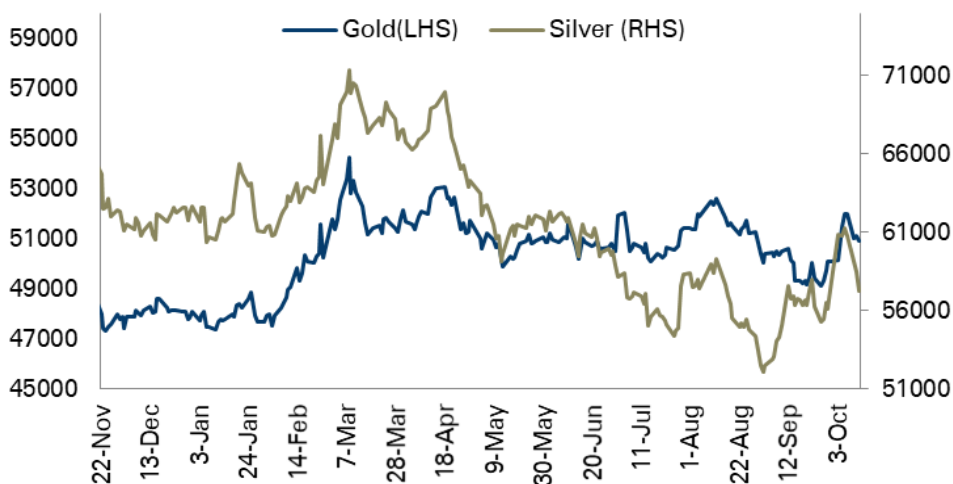
Follow-up

Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Crude oil	Nov	Sell	7290-7300	7190	7350	Target Achieved
GBPINR	Oct	Sell	91.35-91.37	91.05	91.55	Exit in Profit

Bullion Outlook

- MCX gold prices traded lower on Wednesday amid stronger than expected macroeconomic data from the US
- However, bullion prices were pressurised by weakness in US 10 years treasury yields
- 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 ₹ 50,750 to continue trading in a downward trend towards the level of ₹ 50,700 in the coming trading sessions
- Additionally, investors will keep an eye on initial jobless claims and CPI data from the US for more understanding

MCX Gold vs Silver Performance



MCX Price Performance

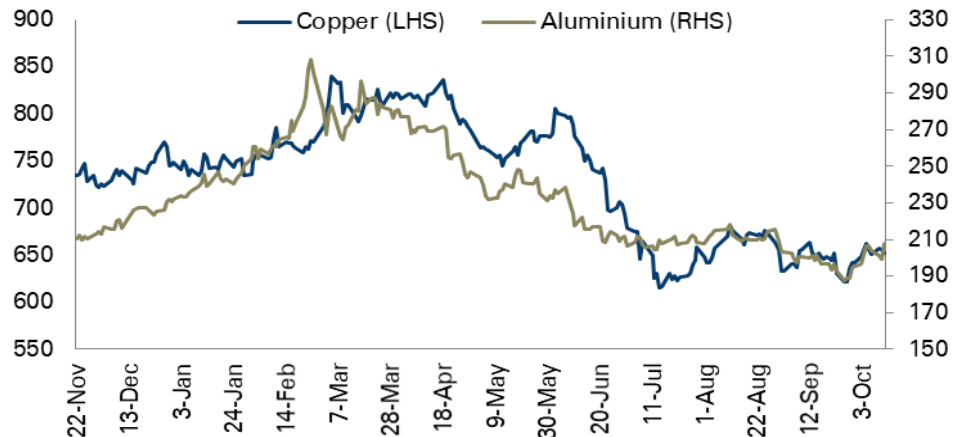
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	50911	-0.36%	1680.20	-0.34%
Silver	57300	-2.11%	19.01	-2.46%
MCXBULLDEX	14050	-0.73%	-	-
Copper	652.00	-0.62%	7548.50	-0.63%
Aluminium	207.70	4.19%	2351.00	5.14%
Zinc	271.95	0.22%	2943.00	0.50%
Lead	183.00	1.27%	2015.50	1.31%
WTI Crude Oil	7187	-2.44%	87.17	-2.44%
US Nat Gas	533.3	-2.31%	6.44	-2.32%
MCXENRGDEX	8870	-2.20%	-	-

Daily Commodity Pivot Levels

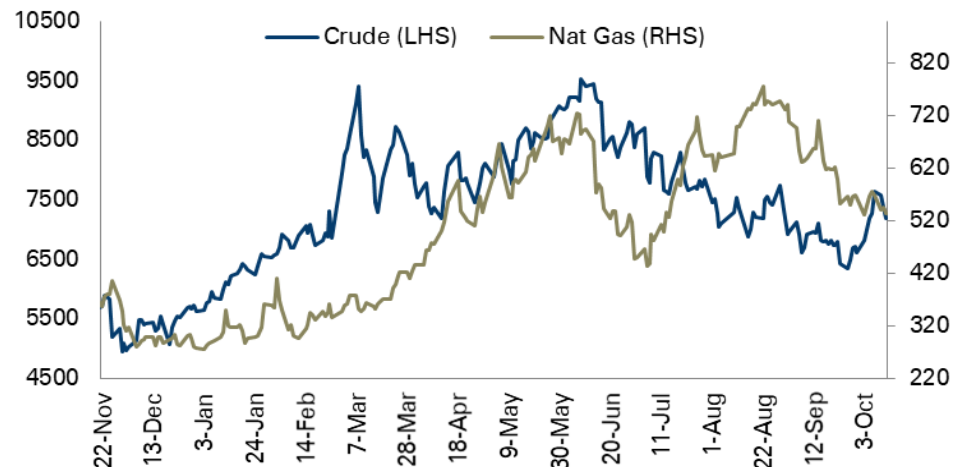
Commodity	S2	S1	Pivot	R1	R2
Gold	50620	50766	50907	51053	51194
Silver	56561	56931	57525	57895	58489
MCXBULLDEX	13957	14004	14056	14103	14155
Copper	643.3	647.7	653.3	657.7	663.3
Aluminium	190.1	198.9	205.1	213.9	220.1
Zinc	264.6	268.3	271.2	274.9	277.8
Lead	178.7	180.9	182.1	184.2	185.4
Crude Oil	6936	7061	7241	7366	7546
Nat Gas	512.1	522.7	542.1	552.7	572.1
MCXENRGDEX	8617	8744	8965	9091	9313

Source: Bloomberg, Reuters, ICICI Direct Research

MCX Copper vs. Aluminium Performance



MCX Crude Oil vs. Natural Gas Performance



Base Metal Outlook

- MCX copper prices drifted lower on Wednesday as Covid-19 flare-ups in China, the world's biggest metal consumer, sparked fresh concerns over demand
- MCX aluminium prices soared more than 4.00% on Wednesday after Bloomberg reported that the US was considering a ban on Russian aluminium in response to the conflict in Ukraine
- We expect aluminium prices to trade with a positive bias for the day on expectations that the Biden administration is considering raising tariffs on Russian aluminium to levels so punitive they would effectively ban Russian aluminium producer Rusal

Energy Outlook

- MCX crude oil prices tumbled about 3.50% yesterday after Opec cut its 2022 forecast for growth in world oil demand for a fourth time since April and also trimmed next year's figure, amid slowing economies, the resurgence of China's Covid-19 containment measures and high inflation
- Moreover, a top US treasury official said countries are negotiating deals with Russia to buy oil far below the benchmark Brent crude price, weighing on crude oil prices
- We expect MCX crude oil prices to trade with a negative bias for the day on worries about weaker global crude oil demand

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
German CPI (YoY) (Sep)	EUR	11:30 AM	-	10.00%	10.00%	High
IEA Monthly Report	USD	1:30 PM	-	-	-	Medium
Initial Jobless Claims	USD	6:00 PM	-	225K	193K	High
CPI (YoY) (Sep)	USD	6:00 PM	-	8.10%	8.30%	High
Natural Gas Storage	USD	8:00 PM	-	-	129B	Medium
IMF Meetings	USD	8:30 PM	-	-	-	Medium
Crude Oil Inventories	USD	8:30 PM	-	1.750M	-1.356M	High
Federal Budget Balance	USD	11:30 PM	-	-	-220.0B	High

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Source: Bloomberg, Reuters, ICICI Direct Research

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