August 8, 2023

Daily Currency & Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	August	Sell	739-739.50	732	744	Intraday
EURINR	August	Sell	91.10-91.12	90.70	91.30	Intraday

Research Analysts

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Anup Sahu
anup.sahu@icicisecurities.com

Daily Snapshot

ICICI direct Research

News and Developments

- Spot Gold lost more than 0.25% on Monday after the Federal reserve Governor Michelle bowman signalled further interest rate hikes would be required to rein the inflation
- Silver price lost the most amid strong dollar and rise in the 10 year treasury yields.
- The US dollar index rose by 0.03% on hawkish comments from the Fed members. Further, better than expected June consumer credit growth numbers supported the dollar to settle above the 102.00 mark
- Crude oil futures edged lower on Monday after the hawkish comments from the Fed Governor Michelle Bowman increased the prospects of additional interest rate hike. Further, end of the summer driving season in the US also lowered the demand. Meanwhile, supply tightness amid voluntary production cut by Saudi Arabia and Russia has restricted the downside in the oil price. OPEC production in July fell by 900000 bpd to one year low of 27.79 million bpd
- Copper prices remained weak amid persistent worries on weak demand in top metal consumer China and rising stocks. Data from the International Copper Study group's report showed that the market was in surplus of 287000 tonnes in January- May period. Further rise in LME inventory to its one month highs has also limited the upside in the red metal
- Nymex Natural gas futures gained more than 6% on expectation of higher demand for air conditioning. Hotter weather in Texas and other parts of US has supported the Gas prices to rise towards 2.74 mark.

Source: Bloomberg, Reuters, ICICI Direct Research

Price Performance

Commodity	LTP (₹)	Change	LTP ($)	Change
Gold	59796	0.45%	1936.56	-0.33%
Silver	71268	-1.67%	23.13	-2.12%
Copper	737.5	-0.38%	8485.00	-1.03%
Aluminium	203.7	0.02%	2230.00	-0.11%
Zinc	224.5	-0.44%	2496.50	-0.30%
Lead	185.7	0.13%	2138.00	0.49%
WTI Crude Oil	6806	-0.77%	81.94	-1.06%
US Nat Gas	227.8	7.10%	2.73	5.74%

Domestic Currencies

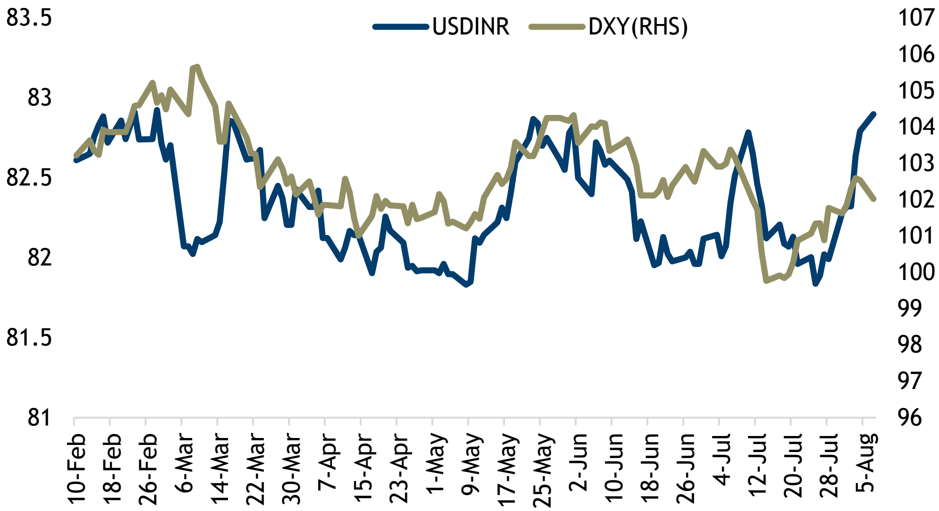
Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (29th Aug)	82.81	-0.11%	2750905	-26559	1241596	-739914
EURINR (29th Aug)	90.97	0.20%	179604	5993	172683	44450
GBPINR (29th Aug)	105.42	0.14%	305100	-3220	148886	-84381

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	September	Buy	59280-59300	59650	59100	Exit
USDINR	August	Sell	82.75-82.76	82.45	82.9	Exit

Currency Outlook

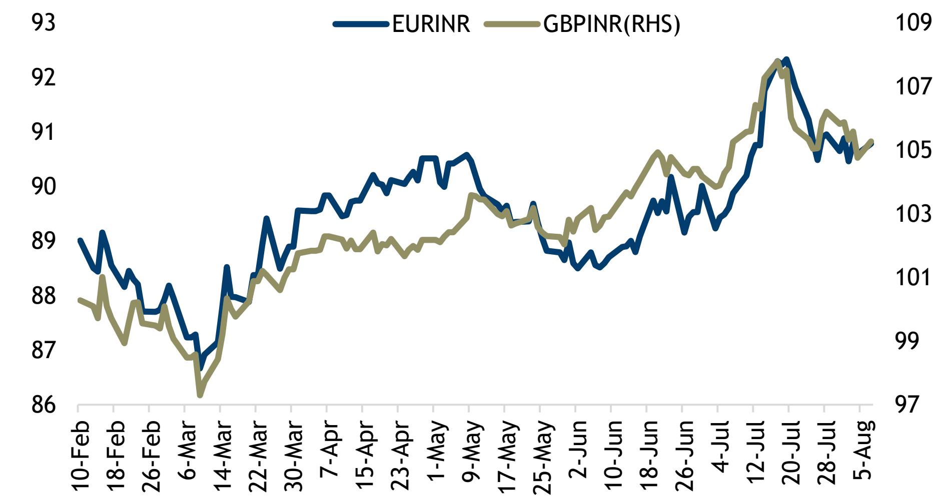
Dollar Index vs. US$INR



Rupee Outlook

- Rupee continued to trade in a narrow range amid concerns over rising crude oil prices and firm dollar. Moreover, investors remained cautious ahead of inflation data from US and China scheduled this week
- Rupee is likely to depreciate today amid firm dollar and weak global market sentiments. Further, elevated crude oil prices may hurt rupee. Oil prices are rising on concerns over supply crunch amid production cuts by Saudi Arabia and Russia. Moreover, investors will remain cautious ahead of major economic data from US and China to gauge health of economy. US$INR is likely to hold the support near 82.70 level and rise back till 82.90 level

EURINR vs. GBPINR



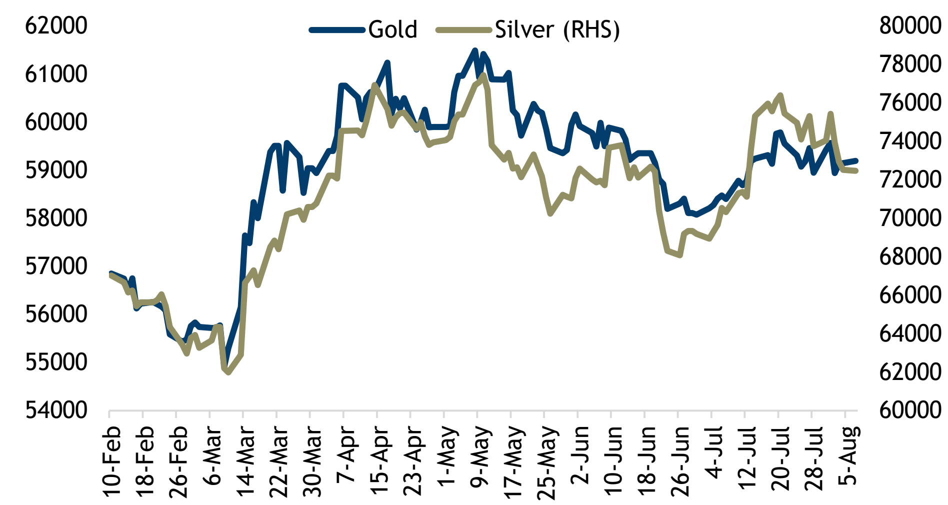
Source: Bloomberg, Reuters, ICICI Direct Research

Euro and Pound Outlook

- Euro ended on negative note amid strong dollar and as German industrial production fell more than anticipated. However, further downside was cushioned amid rise in government bond yields and unexpected increase in Eurozone Sentix investor confidence. For today, EURUSD is likely to face the hurdle near 1.1020 level and slip back towards 1.0940 level amid firm dollar and weak global market sentiments. EURINR may move south towards 90.70 level as long as it stays below 91.30 level
- Pound is expected move south towards 1.2700 level amid strong dollar and pessimistic global market sentiments. Meanwhile, sharp downside may be cushioned on hawkish comments from BOE Chief Economist Huw Pill. GBPINR is likely to face the hurdle near 105.90 level and slip towards 105.0 levels

Metal's Outlook

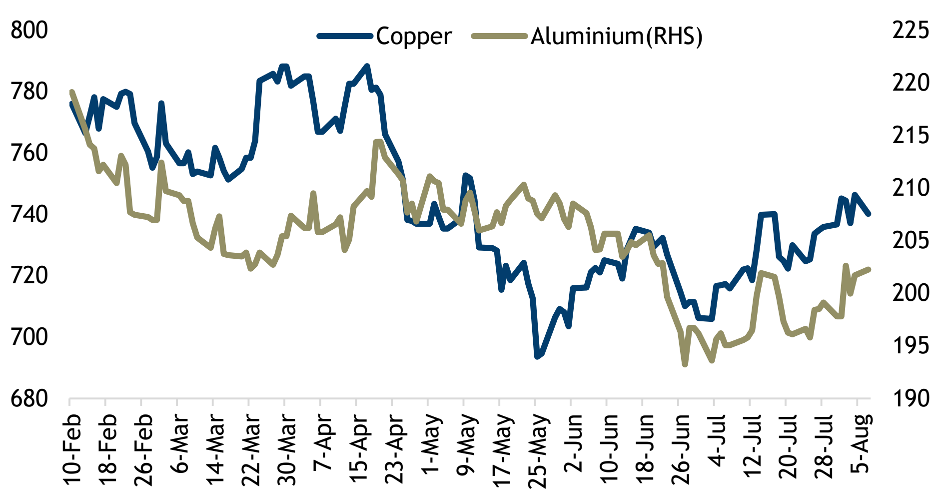
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to move towards the lower band of the consolidation range $1920-1955 amid hawkish comments from the Fed members. Further rise in the dollar index could also restrict the upside in the precious metals. Meanwhile, expectation of weaker set of economic numbers from US and could limit its downside. The CME FedWatch toll suggests more than 86% probability that the rates will remain unchanged in the September meeting
- MCX Gold October futures is likely to move inside the range of 59200-59700. Only a move outside of the range would bring more clarity in the trend. Below 59200, it would slid towards the 50 day EMA support near 59100. On the contrary above 59700 it would rise towards 60,000 level.

MCX Copper vs. Aluminium



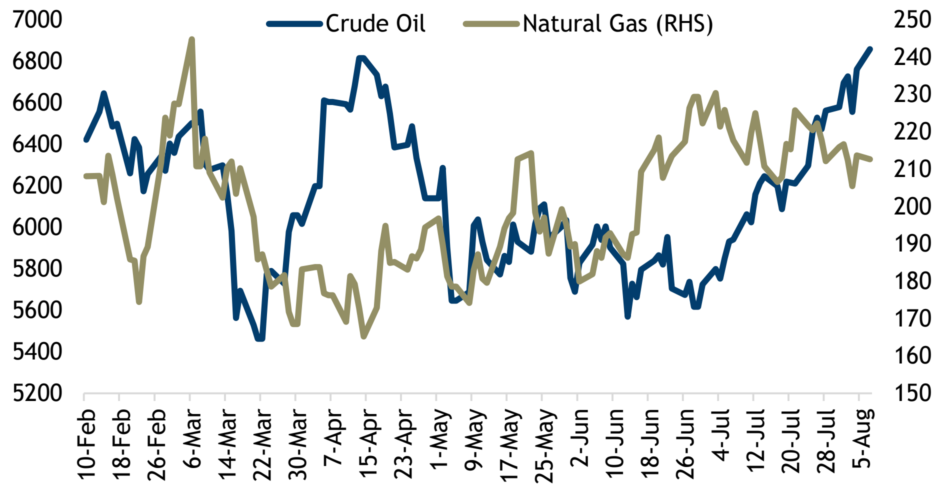
Source: Bloomberg, Reuters, ICICI Direct Research

Base Metal Outlook

- Copper prices are likely to trade under pressure amid strong dollar and lack of fresh round of stimulus from China. Further, rising stocks and surplus of the metal in the first half of the year could also weigh on the red metal. Further, expectation of improvement in the supplies in August as many smelters resume production after the summer maintenance would also limit the upside in the metal. Meanwhile, focus will shift towards today's key trade balance numbers from China.
- MCX Copper is likely to face the hurdle near 744 and weaken towards the 200 day EMA support near 733 level. Below 733 it would weaken further towards 730
- MCX aluminium is expected to extend consolidate in the range of 200-203.

Energy Outlook

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to hold its gains amid supply concerns arising from the latest production curbs from Saudi Arabia and Russia. Meanwhile, strong dollar and hawkish comments from the Fed members would limit the upside. For now, $84 holds a major hurdle for the Nymex Crude. A move above $84 would open the doors to the next key level of $87. On the downside 10 day EMA at $81.20 would act as key support for price
- MCX Crude oil is likely to rise towards 6900 as long as it trades above the 6740 mark.
- MCX Natural gas is expected rise towards 236 as long as it trades above the 220 mark. Forecast of hot temperature in East coast and Texas region of US would support the rally in

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	59620	59708	59788	59876	59956
Silver	70255	70761	71557	72063	72859
Copper	732.7	735.1	738.4	740.7	744.0
Aluminium	202.2	202.9	203.5	204.2	204.8
Zinc	222.9	223.7	224.7	225.5	226.5
Lead	184.4	185.1	185.5	186.2	186.6
Crude Oil	6701	6753	6803	6855	6905
Nat Gas	208	218	223	233	238

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US$INR (Aug)	82.72	82.76	82.80	82.84	82.88
US$INR (Sep)	82.81	82.85	82.89	82.92	82.96
EURINR (Aug)	90.69	90.83	91.01	91.14	91.32
EURINR (Sep)	90.91	91.03	91.17	91.29	91.43
GBPINR (Aug)	105.17	105.29	105.39	105.52	105.62
GBPINR (Sep)	105.24	105.37	105.48	105.61	105.72
JPYINR (Aug)	58.29	58.35	58.43	58.49	58.57
JPYINR (Sep)	58.62	58.68	58.76	58.82	58.91

Source: Bloomberg, Reuters, ICICI Direct Research

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	102.05	102.02	0.03%
US$INR	82.75	82.84	-0.11%
EURUSD	1.1002	1.1006	-0.04%
EURINR	90.74	90.67	0.09%
GBPUSD	1.2784	1.2749	0.27%
GBPINR	105.26	105.26	0.00%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.199	7.189	0.01
US	4.089	4.034	0.0547
Germany	2.601	2.562	0.039
UK	4.461	4.380	0.081
Japan	0.630	0.649	-0.019

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
8/2/2023	8:00 PM	-17M	-0.9M
7/26/2023	8:00 PM	-0.6M	-2.20M
7/19/2023	8:00 PM	-0.708M	-2.0M
7/12/2023	8:30 PM	5.9M	-1.1M
7/6/2023	8:30 PM	-1.5M	-1.0M
6/28/2023	8:00 PM	-9.6M	-1.4M
6/22/2023	8:30 PM	-3.8M	0.3M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	79325	0	0.00%
Aluminium	501325	-2000	-0.40%
Zinc	91650	-3250	-3.42%
Lead	56525	-600	-1.05%
Nickel	37044	-66	-0.18%

Source: Bloomberg, Reuters, ICICI Direct Research

Economic Calendar

ICICI direct Research

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, August 07, 2023						
11:30 AM	Europe	German Industrial Production m/m	-1.5%	-0.40%	-0.20%	Medium
Tuesday, August 08, 2023						
Tentative	China	Trade Balance		479B	491B	Medium
6:00 PM	US	Trade Balance		(65.1B)	(69.0B)	Medium
Wednesday, August 09, 2023						
7:00 AM	China	CPI y/y		-0.5%	0.0%	High
7:00 AM	China	PPI y/y		-4.0%	-5.4%	Medium
8:00 PM	US	Crude Oil Inventories			(17.0M)	Medium
Thursday, August 10, 2023						
10:00 AM	India	Interest rate decision		6.5%	6.5%	High
6:00 PM	US	CPI y/y		3.3%	3.0%	High
6:00 PM	US	Unemployment Claims		231K	227K	High
Friday, August 11, 2023						
11:30 AM	UK	GDP m/m		0.20%	-0.10%	Medium
11:30 AM	UK	Prelim GDP q/q		0.00%	0.10%	Medium
6:00 PM	US	PPI m/m		0.20%	0.10%	High
7:30 PM	US	Prelim UoM Consumer Sentiment		71.7	71.6	High
7:30 PM	US	Prelim UoM Inflation Expectations			3.40%	Medium

Source: Bloomberg, Reuters, ICICI Direct Research

Pankaj Pandey **Head – Research** **pankaj.pandey@icicisecurities.com**

ICICI Direct Research Desk,

ICICI Securities Limited,

Third Floor, Brillanto House,

Road No 13, MIDC,

Andheri (East)

Mumbai – 400 093

research@icicidirect.com

Disclaimer

I/We, , Raj Deepak Singh BE, MBA (Finance), Saif Mukadam BSc, MMS (Finance), Anup Sahu BSc, MBA (Finance) Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.
ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal
Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Prabodh Avadhoot Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Disclaimer

Since associates of ICICI Securities and ICICI Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.