

November 10,
2023

Daily Currency & Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural Gas	November	Sell	260-261	252	265	Intraday
GBP/INR	November	Sell	102-102.02	101.60	102.20	Intraday

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News and Developments

- Spot gold prices hold on to its gains despite of strong dollar and surge in US treasury yields. Dollar gained after Fed Chair Powell said policymakers are not confident that interest rates are yet high enough to finish battle with inflation
- Data from US showed the number of people filing new claims for unemployment benefits edged down last week, signaling layoffs remain low even as the jobs market shows some signs of cooling
- As per CME Fedwatch tool expectations for Fed to keep rate steady at the next meeting decline to 85.4% from 90.4% a day ago while, prospects of rate hike by 25bps increased to 14.6% from 9.6% a day ago
- Yield on benchmark US 10-year treasury note rallied to 4.628% and 2-year treasury yield, which typically moves in step with interest rate expectations edged up to 5.022%. Yields climbed across the board after hawkish remarks from US Fed Chair Powell suggesting that the central bank may not be done hiking interest rates just yet
- Crude oil prices edged lower yesterday amid strong dollar and concerns over slowdown in global crude demand. Additionally, recent data from China signaled that country's economic recovery is wavering despite of efforts from Beijing to improve economic growth.
- Copper prices slipped on strong dollar and weak global market sentiments. Further, prices moved south amid uncertainty over the economic recovery in top metals consumer China. China's consumer prices had swayed back into contraction and factory gate deflation persisted in October as domestic demand struggled

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	60327	0.53%	1958.55	0.43%
Silver	71050	0.00%	22.64	0.35%
Copper	705.0	0.13%	8147.00	0.06%
Aluminium	208.0	0.00%	2242.50	-0.93%
Zinc	228.7	0.11%	2602.50	-0.29%
Lead	186.8	-0.27%	2190.00	-0.02%
WTI Crude Oil	6372	1.56%	75.74	0.54%
US Nat Gas	256.5	-0.27%	3.04	-2.09%

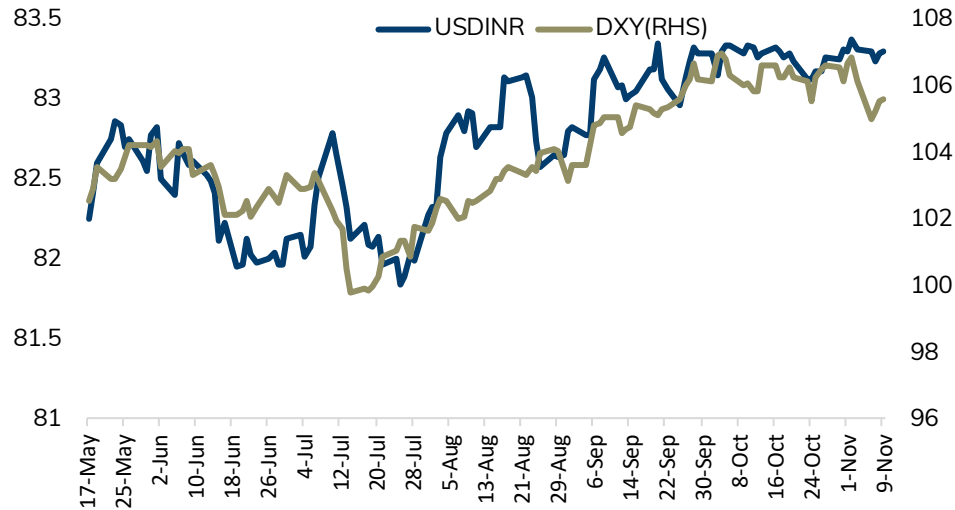
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Oct)	83.31	0.01%	5729082	176900	1048597	19406
EURINR (27th oct)	89.08	0.12%	116410	-5484	143022	6460
GBPINR (27th Oct)	102.21	0.04%	157116	-5392	203685	28502

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	November	Sell	707.50-708	700	712	Not Initiated
EURINR	November	Buy	89.00-89.02	89.40	88.80	Not Initiated

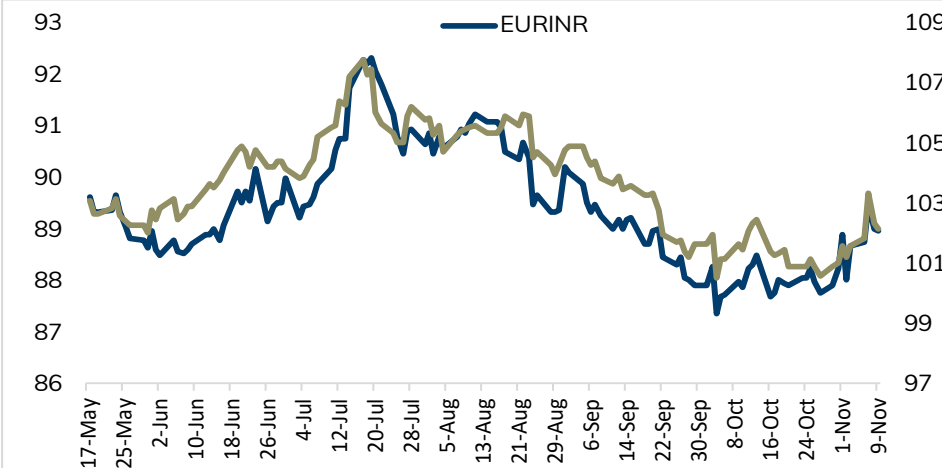
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee depreciated and settled near its all time lows at 83.29 amid sustained capital outflows from the domestic markets. Further, rebound in the dollar index and US treasury yields also weighed over the rupee.
- Rupee is expected to depreciate amid rise in dollar. The hawkish comments from the Fed chair Jerome Powell has reinforced the possibility of another rate hike. Meanwhile, focus will shift towards next weeks key US CPI data. USDINR is likely to consolidate in between 83.10-83.40. Only a move above 83.40 it would open the doors towards 83.50. Similarly below 83.10 it would weaken towards 82.90.

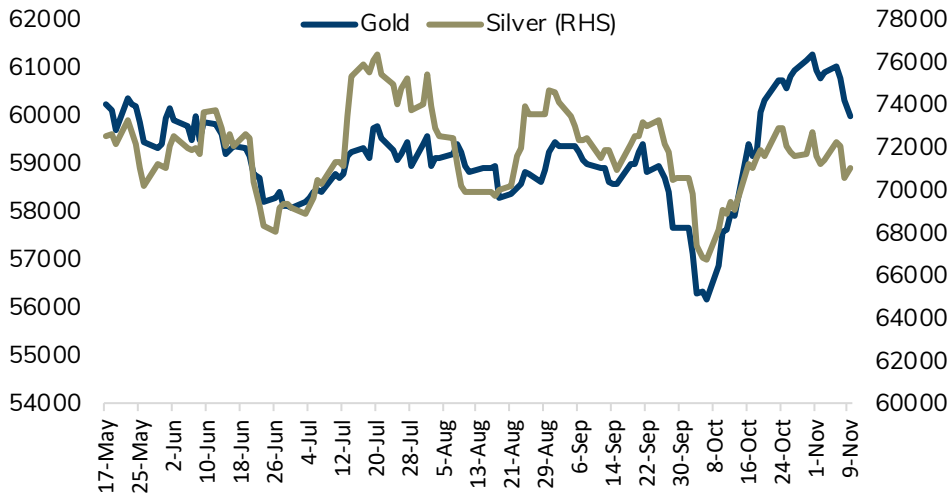
EURINR vs. GBPINR



Euro and Pound Outlook

- The Euro failed to hold its gains and closed with a loss of 0.34% amid rise in the dollar. The pair is expected to remain under pressure amid strong dollar. Meanwhile, investors will keep an eye on key comments from the ECB president Lagarde to get more clarity on the future rate path. The pair is likely to dip towards 1.0620 as long as it trades under 1.0720. EURINR is likely to move towards 88.60 as long as remained under 89.40.
- Pound erased all its gains and ended with a loss of 0.50% amid rebound in the dollar. The pair is expected to weaken towards 1.2180 on expectation weaker GDP numbers. GBPINR is expected to slide towards 101.50, as long as it trades under 102.30. Only close below 101.50 it would weaken further towards 101.10.

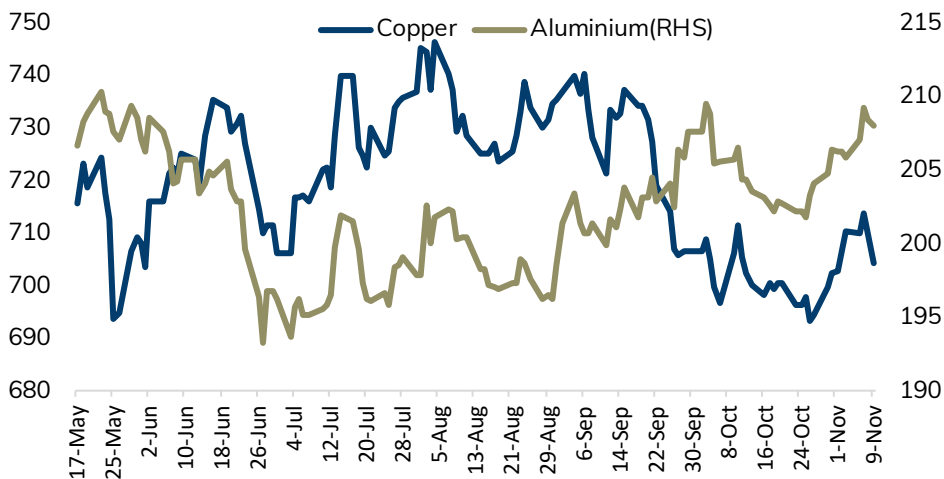
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to hold the support near \$1945 levels and rise back towards \$1975 level as US Fed Chair Powell comments did not signify anything new, he reiterated the same thing, and as per the CME Fedwatch tool market is pricing in almost no chance of rate hikes in upcoming meeting. Moreover, some Fed officials said US economy still hasn't felt the full effect of past interest rate increases, suggesting more slowing is yet to come. Additionally, demand for safe haven may increase on rising conflict in Middle East. MCX Gold prices is likely to move north towards 60,600 level as long as it trades above the support level of 60,000 levels
- MCX Silver is expected to rise back towards 72,500 level as long as it sustains above 71,000 level.

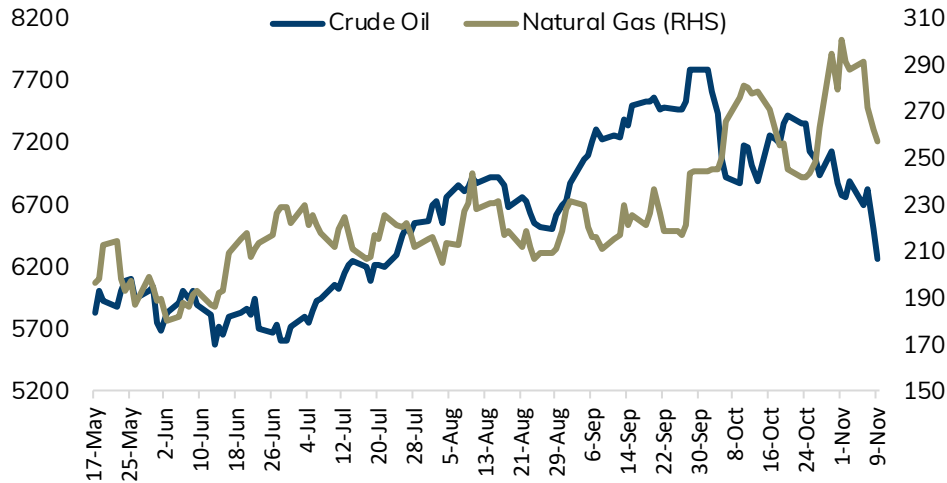
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with negative bias amid strong dollar and weak global market sentiments. Further, prices may slip as disappointing economic data from major countries across globe has raised concerns over global economic slowdown, which may dent demand for industrial metal. Meanwhile, on supply side investors fear that Global supplies could tighten further if the Zambians truckers join counterparts in the Democratic Republic of Congo in an ongoing strike. MCX Copper is likely to dive towards 700 level, as long as it stays below 710 level. A move below 700 would open the doors towards 695 levels.
- MCX aluminium is expected to slip further towards 205.50 level as long as it stays below 208.0 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to slip further towards \$74.50 as long as it trades below \$77 amid pessimistic global market sentiments and strong dollar. Further, massive weekly jump in crude oil inventories signals cooling in US fuel consumption. Furthermore, signs of global economic weakness will hurt oil prices. Additionally, prices may slip on waning concerns over supply disruptions from the Hamas-Israel war.
- MCX Crude oil is likely to slip further towards 6200 levels as long as it trades below 6500 levels.
- MCX Natural gas is expected to dive towards 245 level as long as it trades below 265 level

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	59555	59941	60146	60532	60737
Silver	69612	70331	70864	71583	72116
Copper	698.7	701.8	704.4	707.5	710.0
Aluminium	207.0	207.5	208.2	208.7	209.4
Zinc	226.1	227.4	228.5	229.8	230.9
Lead	186.3	186.5	186.9	187.1	187.5
Crude Oil	6214	6293	6362	6441	6510
Nat Gas	246	251	258	263	269

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	83.00	83.15	83.23	83.38	83.46
US\$INR (Nov)	83.32	83.34	83.35	83.38	83.39
EURINR (Oct)	88.90	88.99	89.12	89.21	89.33
EURINR (Nov)	89.06	89.14	89.28	89.36	89.49
GBPINR (Oct)	101.91	102.06	102.29	102.44	102.66
GBPINR (Nov)	102.01	102.16	102.37	102.51	102.73
JPYINR (Oct)	55.23	55.28	55.36	55.41	55.49
JPYINR (Nov)	55.53	55.58	55.67	55.73	55.82

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.91	105.59	0.30%
US\$INR	83.29	83.28	0.01%
EURUSD	1.0668	1.0709	-0.38%
EURINR	89.10	88.82	0.32%
GBPUSD	1.2223	1.2285	-0.50%
GBPINR	102.45	102.00	0.44%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.275	7.271	0.004
US	4.624	4.493	0.1316
Germany	2.647	2.617	0.03
UK	4.273	4.240	0.033
Japan	0.838	0.857	-0.019

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
11/1/2023	8:00 PM	0.8M	1.5M
10/25/2023	8:00 PM	1.4M	-0.5M
10/18/2023	8:00 PM	-4.5M	-0.5M
10/12/2023	8:00 PM	10.2M	-0.4M
10/4/2023	8:00 PM	-2.2M	-0.1M
9/27/2023	8:00 PM	-2.2M	-0.7M
9/20/2023	8:00 PM	-2.1M	-1.3M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	177225	-900	-0.51%
Aluminium	459100	-2500	-0.54%
Zinc	72475	-1775	-2.39%
Lead	133050	0	0.00%
Nickel	40674	0	0.00%

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, November 06, 2023						
2:30 PM	Europe	Final Services PMI	47.80	47.80	47.80	Medium
Tuesday, November 07, 2023						
12:30 PM	Europe	German Industrial Production m/m	-1.4%	-0.1%	-0.2%	Medium
7:00 PM	US	Trade Balance	(-61.5)B	(-60.2)B	(-58.3)B	Medium
Wednesday, November 08, 2023						
3:30 PM	Europe	Retail Sales m/m	-0.30%	-0.2%	-1.2%	Medium
7:45 PM	US	Fed Chair Powell Speaks	-	-	-	High
Thursday, November 09, 2023						
7:00 AM	China	CPI y/y	-0.20%	-0.20%	0.00%	Medium
7:00 PM	US	Unemployment Claims	217k	218k	217k	High
Friday, November 10, 2023						
12:30 AM	US	Fed Chair Powell Speaks	-	-	-	High
12:30 PM	UK	GDP m/m		0.00%	0.20%	High
12:30 PM	UK	Industrial Production m/m		-0.1%	-0.7%	Medium
5:30 PM	India	Industrial Production y/y		4.2%	10.3%	Medium
8:30 PM	US	Prelim UoM Consumer Sentiment		63.4	63.8	High
8:30 PM	US	Prelim UoM Inflation Expectations		-	4.2%	Medium

Source: Bloomberg, Reuters, ICICI Direct Research



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