

December 8, 2023

Daily Currency & Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	December	Buy	712-712.5	719	708	Intraday
GBPINR	December	Buy	104.83-104.85	105.20	104.65	Intraday

Research Analysts

Raj Deepak Singh

rajdeepak.singh@icicisecurities.com

Saif Mukadam

saif.mukadam@icicisecurities.com

Anup Sahu

anup.sahu@icicisecurities.com

News and Developments

- Gold prices moved in tight range as the spotlight shifts to Fridays' key US Non-Farm payroll numbers. Meanwhile, weakness in the dollar supported the yellow metal to edge higher towards the end of the day. The weekly jobless claims numbers are largely in line with market expectation, where as continuing unemployment claims fell by 64,000 to 1.861 millions showing stronger labor market.
- The 10-year treasury yields remained near the 4.13%, where as 2-year treasury yields declined below 4.60% mark.
- The US dollar index traded lower on Thursday amid firm Yen after BOJ hints at policy shift. The comments from the BOJ chief reinforced the expectation that the central bank will wind down its ultra-dovish stimulus-heavy policies in the coming year.
- Crude oil futures remained under pressure amid fresh demand worries after the trade data showed China's November crude oil imports slipped by 9% on YoY basis. Further, ongoing oversupply concerns also restricted the NYMEX crude to settle below the \$70 mark
- Copper prices edged higher on Thursday amid strong Chinese export data and softness in the dollar. Chinese November export numbers made a surprise gain for the first time in six months suggesting improved demand of the Chinese goods. Meanwhile, weaker set of economic numbers from Europe checked the upside in prices.
- NYMEX Natural gas futures hit the lowest level in five-months amid higher natural gas production and mild weather forecast in US. Meanwhile, larger than expected withdrawal of 117 bcf in the weekly inventory data helped gas prices to recoup its earlier losses and settle near \$2.55.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	62466	0.04%	2028.47	0.14%
Silver	74313	-0.69%	23.80	-0.41%
Copper	715.2	0.97%	8342.00	0.68%
Aluminium	195.1	-0.64%	2132.50	-0.74%
Zinc	217.6	-0.57%	2406.50	-0.91%
Lead	182.2	-0.25%	2018.00	-0.54%
WTI Crude Oil	5802	-0.31%	69.34	-0.06%
US Nat Gas	214.8	-0.09%	2.59	0.62%

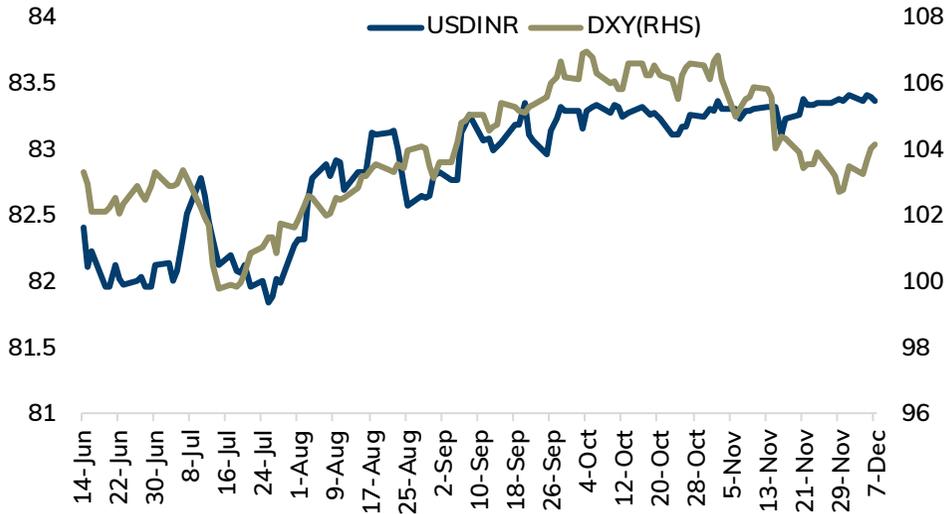
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Dec)	83.41	0.04%	4345242	120407	1030866	-468226
EURINR (27th Dec)	89.92	-0.12%	156199	33	138858	-23124
GBPINR (27th Dec)	104.98	0.00%	235007	-17332	189069	44324

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	January	Buy	61950-62000	62650	61750	Not Initiated
EURINR	December	Sell	90.00-90.02	89.60	90.20	Profit Booked

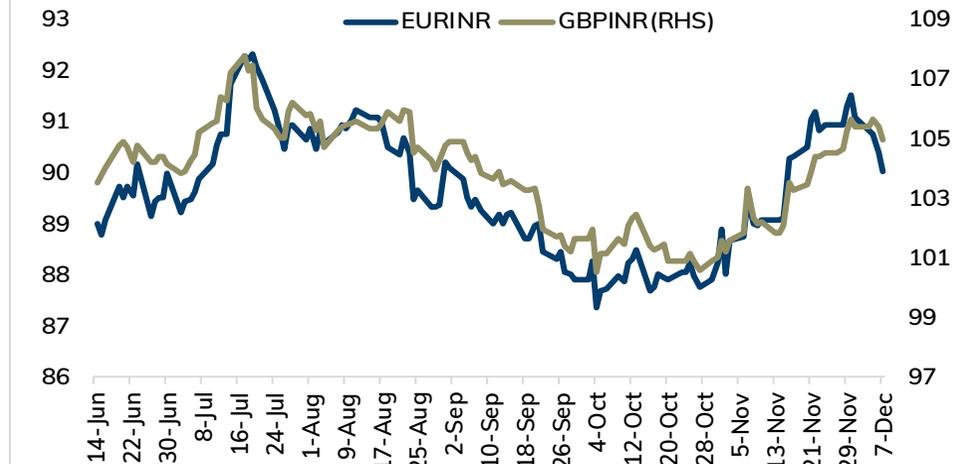
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee depreciated marginally yesterday due to weak domestic market sentiments and recovery in crude oil prices. Further, investors remained cautious ahead of US job report to get more clarity on interest rate trajectory
- Rupee is likely to appreciate today amid expectation of further correction in dollar and US treasury yields. Dollar is moving south as slew of recent economic data signal cooling economy, possibly giving US Federal Reserve more incentive to hold rates steady and start cutting in first half of 2024. Meanwhile, market participants will keep a close eye on RBI monetary policy meeting, where central bank is likely to keep policy rate unchanged. More focus will be on guidance from central bank to get cues on rate trajectory. USDINR may slip to 83.30 level as long as its stays below 83.50 levels

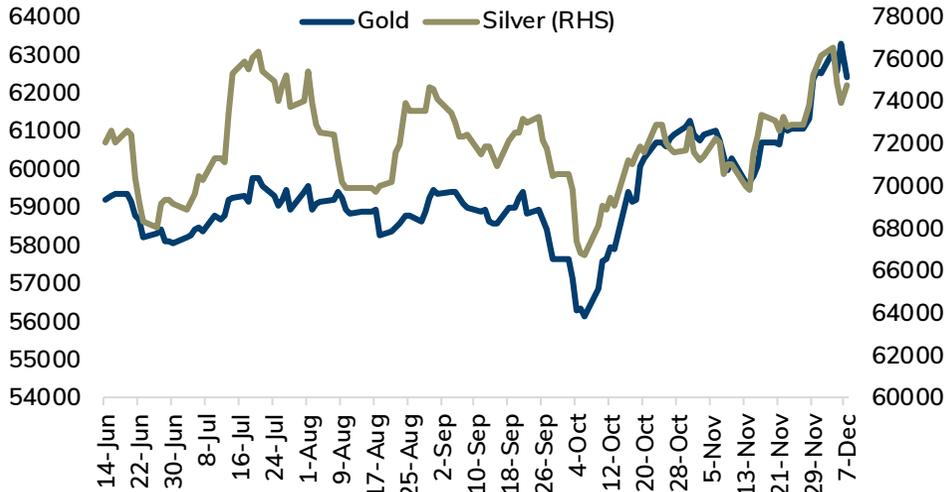
EURINR vs. GBPINR



Euro and Pound Outlook

- Euro edged higher by 0.27% yesterday on the back of weak dollar. Meanwhile, decline in German industrial production capped sharp upside in euro. For today, EURUSD is likely to rise back towards 1.0830 levels as long as it stays above 1.0750 levels majorly on the back of soft dollar. Meanwhile, sharp upside may be capped as ebbing price pressure and slowdown in major economies such as Germany reinforced expectations that ECB will start cutting rates from next year. EURINR may rise towards 90.25 as long as it trades above 89.70 levels
- Pound is likely to move back towards 1.2650 level on weakness in dollar. Further, investors anticipate that the first cut from the BoE might not happen until June, compared with March for both the ECB and US Fed. Meanwhile, market will remain cautious ahead of US job report to get more clarity on interest rate trajectory. GBPINR is likely to move higher towards 105.20 level as long as it stays above 104.65 levels

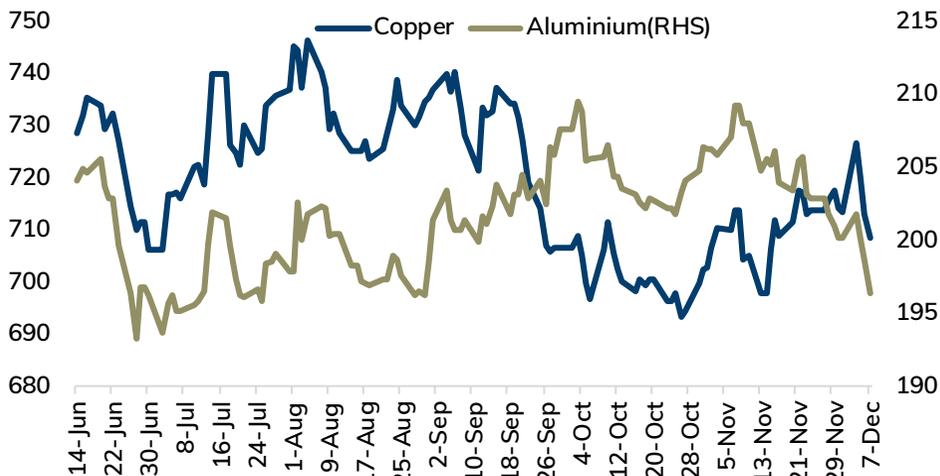
MCX Gold vs. Silver



Bullion Outlook

- Gold is expected to hold the key support near \$2010 and move higher towards \$2045 on expectation of cooling US labor market. Further, buying from the central banks would also support the prices to stick to its gains. China in November increased its gold holdings to 71.58moz from 71.2moz in October. Meanwhile, focus will remain on the key US Non-farm payroll numbers, which may bring more clarity on the Fed's future interest rate path. As per the CME Fed-Watch toll probability of rate cut in March has remained steady near 55%.
- MCX gold February is expected to find support near 62000, and rebound towards 62800. Only close below 61,900 it would weaken towards 61,500.
- MCX silver is likely to find support near 73800 and rebound towards 75200. Only close below 73800, it would weaken further towards 73200.

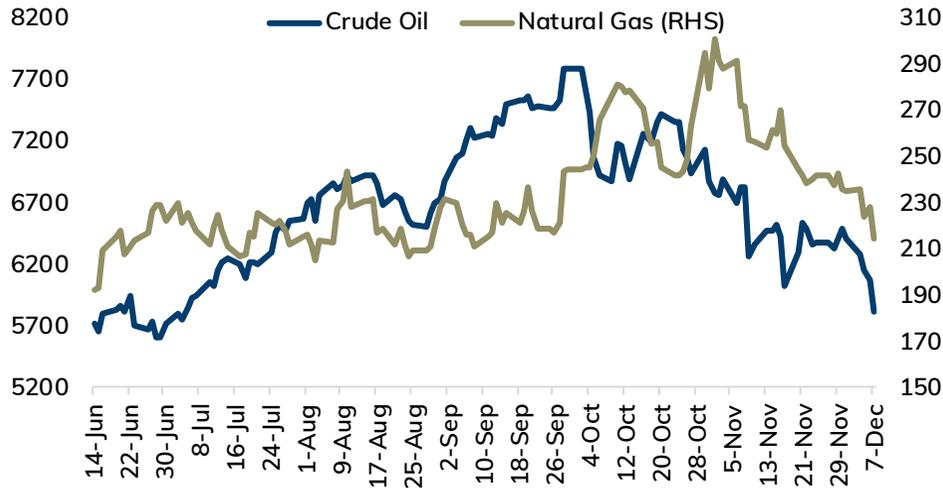
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are likely to hold its gains amid strong Chinese export numbers and softness in the dollar. Meanwhile, all focus will remain on key US job numbers data, which may bring more clarity to the Fed's stance on the interest rate cycle. Further, traders will remain cautious ahead of key inflation numbers from China on Saturday.
- MCX Copper December is expected to find support near the 20 day EMA at 713 and move towards the initial hurdle at 720. Only close below 708 the trend will turn negative.
- MCX Aluminium December is expected to find support near the multiple support zone near 193 and rebound towards 198. Only close below 193 it would weaken further towards 191.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil prices are expected to move in the range of \$68 and \$72 ahead of key economic numbers from US and China. Concerns over waning demand from China and US, along with weaker economic activity in the Eurozone would limit the upside in the price. However, softness in the dollar and ongoing accommodative government policies from China could limit the downside below the \$68 mark.
- MCX Crude oil is likely to find the floor near 5750 and rebound towards key resistance near 6050. Only a move above 6050, it would reverse the trend.
- MCX Natural gas December future is expected to find the floor near 207 and rebound towards 220. Only a move above 220, the trend would turn bullish.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	61961	62213	62475	62727	62989
Silver	73464	73888	74425	74849	75386
Copper	706.0	710.6	713.0	717.6	719.9
Aluminium	193.0	194.0	195.6	196.6	198.2
Zinc	215.5	216.6	218.3	219.3	221.0
Lead	181.5	181.8	182.3	182.6	183.1
Crude Oil	5679	5741	5816	5878	5953
Nat Gas	202	208	214	220	225

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Dec)	83.34	83.38	83.40	83.43	83.45
US\$INR (Jan)	83.43	83.46	83.48	83.50	83.52
EURINR (Dec)	89.66	89.79	89.89	90.02	90.13
EURINR (Jan)	89.85	89.97	90.08	90.20	90.30
GBPINR (Dec)	104.46	104.72	104.86	105.13	105.27
GBPINR (Jan)	104.58	104.83	104.96	105.21	105.35
JPYINR (Dec)	56.53	57.11	57.48	58.07	58.44
JPYINR (Jan)	56.90	57.46	57.81	58.37	58.72

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	103.54	104.15	-0.59%
US\$INR	83.36	83.33	0.04%
EURUSD	1.0794	1.0764	0.28%
EURINR	89.87	89.91	-0.05%
GBPUSD	1.2594	1.2560	0.27%
GBPINR	104.92	104.99	-0.07%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.238	7.253	-0.015
US	4.150	4.104	0.0455
Germany	2.191	2.200	-0.009
UK	3.968	3.943	0.025
Japan	0.758	0.639	0.119

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
12/6/2023	9:00 PM	-4.6M	-1.3M
11/29/2023	9:00 PM	1.6M	-0.1M
11/22/2023	9:00 PM	8.7M	0.9M
11/15/2023	9:00 PM	3.6M	2.5M
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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	182750	675	0.37%
Aluminium	442500	-500	-0.11%
Zinc	218550	-100	-0.05%
Lead	133625	-2475	-1.82%
Nickel	48360	1992	4.30%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, December 04, 2023						
3:00 PM	Europe	Sentix Investor Confidence	-16.8	-15	-18.6	Medium
8:30 PM	US	Factory Orders m/m	-3.60%	-2.70%	2.80%	Medium
Tuesday, December 05, 2023						
7:15 AM	China	Caixin Services PMI	51.5	50.7	50.4	High
8:30 PM	US	ISM Services PMI	52.7	52.5	51.8	High
8:30 PM	US	JOLTS Job Openings	8.73M	9.33M	9.55M	High
Wednesday, December 06, 2023						
4:00 PM	UK	FPC Meeting Minutes	-	-	-	Medium
6:45 PM	US	ADP Non-Farm Employment Change	103K	120K	113K	High
9:00 PM	US	Crude Oil Inventories	-4.6M	-1.3M	1.6M	Medium
Thursday, December 07, 2023						
Tentative	China	Trade Balance	491B	392B	405B	Medium
12:30 PM	Europe	German Industrial Production m/m	-0.40%	-0.10%	-1.40%	Medium
12:30 PM	UK	Halifax HPI m/m	0.50%	0.30%	1.10%	Medium
7:00 PM	US	Unemployment Claims	220K	221K	218K	High
9:00 PM	US	Natural Gas Storage	-117B	-110B	10B	Medium
Friday, December 08, 2023						
10:00 AM	India	RBI Interest rate decision	-	6.50%	6.50%	High
7:00 PM	US	Average Hourly Earnings m/m	-	0.30%	0.20%	High
7:00 PM	US	Non-Farm Employment Change	-	185K	150K	High
7:00 PM	US	Unemployment Rate	-	3.90%	3.90%	High
8:30 PM	US	Prelim UoM Consumer Sentiment	-	62	61.3	High
8:30 PM	US	Prelim UoM Inflation Expectations	-	-	4.50%	Medium



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

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.

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.