

September 19, 2022

Daily Currency & Commodity Outlook

Daily Recommendation

Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude oil	Oct	Buy	6810-6820	6910	6750	1 day
GBPINR	Sep	Sell	91.10-91.12	90.80	91.30	1 day

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Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	109.64	109.71	-0.06%
US\$INR	79.82	79.84	-0.03%
EURUSD	1.0012	0.9994	0.18%
EURINR	79.71	79.77	-0.08%
GBPUSD	1.1416	1.1471	-0.48%
GBPINR	91.11	91.98	-0.95%

Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Sep-22)	79.68	79.75	79.85	79.92	80.01
US\$INR (27th Oct-22)	79.89	79.96	80.06	80.13	80.23
EURINR (28th Sep-22)	79.29	79.49	79.73	79.94	80.18
EURINR (27th Oct-22)	79.69	79.89	80.12	80.32	80.56
GBPINR (28th Sep-22)	90.29	90.69	91.24	91.64	92.19
GBPINR (27th Oct-22)	90.76	91.15	91.65	92.04	92.54
JPYINR (28th Sep-22)	55.60	55.72	55.83	55.95	56.07
JPYINR (27th Oct-22)	55.91	56.02	56.14	56.26	56.38

- Rupee future maturing on September 28 depreciated on Friday amid a sharp drop in domestic equities. However, weakness in US dollar index restricted further downsides
- The US dollar depreciated as the University of Michigan consumer sentiment for the US fell to 59.5 in September of 2022 compared to market forecasts of 60. Further, the dollar was pressurised by a drop in US 10 year's treasury yields

- The Euro appreciated on Friday after data showed consumer prices in the euro area went up 0.6% MoM in August 2022, slightly higher than initial estimates of a 0.5% increase and compared to 0.1% rise in July. The biggest increase was seen in cost of processed food, alcohol and tobacco
- The pound dropped more than 0.40% amid weak retail sales data from Britain. Retail sales in the UK sank 1.6% MoM in August 2022, the biggest decline so far this year and following a 0.4% rise in July. Figures came much worse than market forecasts of a 0.5% drop

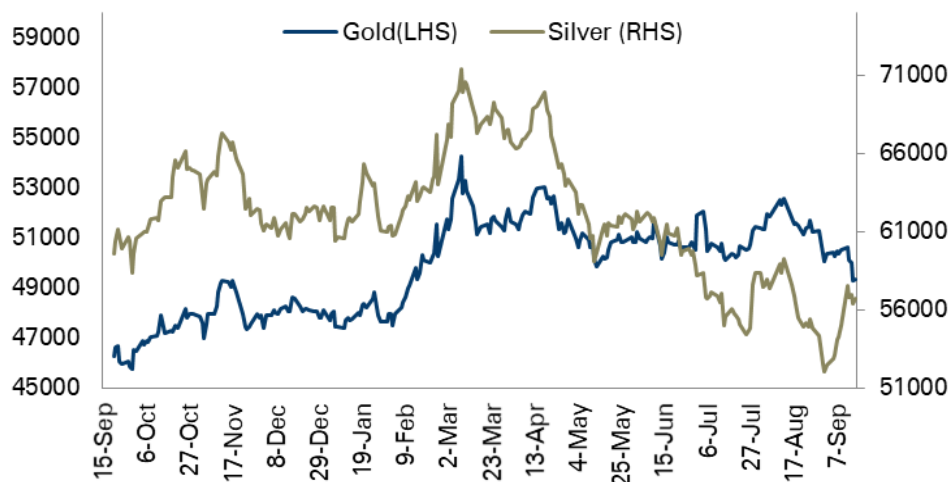
Follow-up

Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Silver mini	Nov	Sell	56850-56860	56250	57250	Target Achieved
USDINR	Sep	Buy	79.80-79.81	80.00	79.67	Exit in Loss

Bullion Outlook

- Comex gold prices rose on Friday amid weak US dollar index and US 10 years bond yields
- However, expectations of aggressive interest rate hike from the US Fed prevented further upside in bullion prices
- MCX gold prices are expected to trade with a positive bias for the day amid weakness in US dollar index. It is likely to surpass the hurdle of ₹ 49,500 to continue its upward trend towards the level of ₹ 49,700 in the coming trading session
- Additionally, silver prices are expected to take cues from gold prices and trade in upward trend to touch ₹ 57,500 level

MCX Gold vs Silver Performance



MCX Price Performance

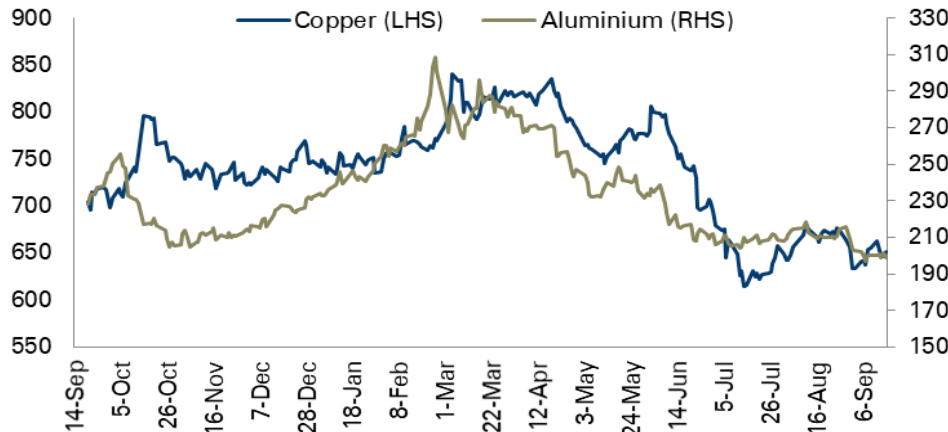
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	49334	0.04%	1684.50	0.43%
Silver	56729	0.55%	19.62	1.80%
MCXBULLDEX	13710	0.08%	-	-
Copper	651.50	0.91%	7799.00	0.90%
Aluminium	199.10	-1.24%	2284.50	-1.00%
Zinc	281.50	-0.67%	3153.00	-1.05%
Lead	177.40	-0.98%	1916.50	-2.34%
WTI Crude Oil	6804	-0.40%	85.40	0.35%
US Nat Gas	633.4	-6.20%	7.82	-6.09%
MCXENRGDEX	9247	-3.15%	-	-

Daily Commodity Pivot Levels

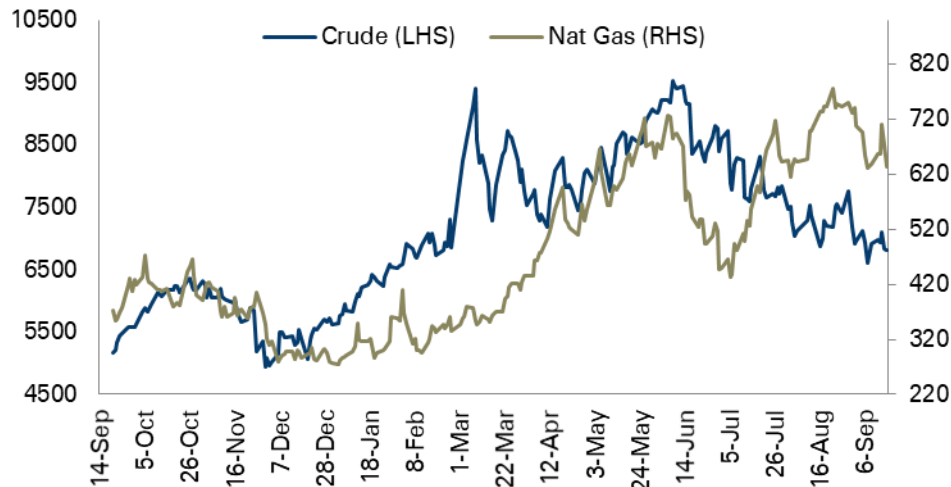
Commodity	S2	S1	Pivot	R1	R2
Gold	48710	49022	49263	49575	49816
Silver	54684	55707	56353	57376	58022
MCXBULLDEX	13465	13587	13679	13801	13893
Copper	629.8	640.6	646.3	657.2	662.9
Aluminium	195.0	197.1	198.9	201.0	202.8
Zinc	271.3	276.4	279.6	284.7	287.9
Lead	173.5	175.5	177.5	179.5	181.5
Crude Oil	6643	6723	6815	6895	6987
Nat Gas	601.5	617.5	641.7	657.7	681.9
MCXENRGDEX	8959	9103	9320	9463	9680

Source: Bloomberg, Reuters, ICICI Direct Research

MCX Copper vs. Aluminium Performance



MCX Crude Oil vs. Natural Gas Performance



Base Metal Outlook

- MCX copper prices edged higher by 0.88% on Friday amid strong macroeconomic data from China
- China's industrial production increased 4.2% YoY in August 2022, compared with market consensus and July's reading of 3.8%. It was the fourth straight month of growth in industrial output and the steepest pace in the sequence following signs that the recent Covid wave may have peaked
- We expect copper prices to trade with a negative bias for the day amid worried about slowing economic growth may hamper base metals demand

Energy Outlook

- Nymex crude oil prices traded flat on Friday despite a spill at Iraq's Basra terminal that appeared likely to constrain crude oil supply
- MCX natural gas prices tumbled by 6.57% as the state-owned Kuwait Oil Company aims to increase natural gas production
- We expect MCX natural gas prices to trade with a positive bias for the day as US shale drillers are struggling to meet strong demand for gas from domestic generators

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
NAHB Housing Market Index(Sep)	USD	7:30 PM	-	48	49	Medium

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Source: Bloomberg, Reuters, ICICI Direct Research

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