

September 15, 2022

Daily Currency & Commodity Outlook

Daily Recommendation						
Currency/Commodity	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude oil	Oct	Buy	7090-7100	7240	6990	1 day
EURINR	Sep	Sell	79.68-79.70	79.40	79.90	1 day

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Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	109.64	109.90	-0.24%
US\$INR	79.62	79.25	0.47%
EURUSD	0.9977	0.9972	0.05%
EURINR	79.68	80.72	-1.29%
GBPUSD	1.1540	1.1495	0.39%
GBPINR	92.02	93.01	-1.06%

Daily Currency Pivot levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (28th Sep-22)	79.37	79.50	79.60	79.72	79.83
US\$INR (27th Oct-22)	79.57	79.70	79.80	79.93	80.03
EURINR (28th Sep-22)	79.27	79.46	79.67	79.86	80.07
EURINR (27th Oct-22)	79.68	79.87	80.07	80.25	80.45
GBPINR (28th Sep-22)	91.37	91.71	91.92	92.27	92.47
GBPINR (27th Oct-22)	91.75	92.08	92.29	92.62	92.83
JPYINR (28th Sep-22)	54.95	55.32	55.56	55.93	56.18
JPYINR (27th Oct-22)	55.29	55.64	55.88	56.22	56.47

- Rupee future maturing on September 28 depreciated yesterday by 0.47% amid a drop in domestic equity markets. Further, an uptick in crude oil prices pressurised rupee
- The US dollar depreciated yesterday amid drop in US 10 years bond yields. At the same time, data showed the producer price index for final demand in the US fell 0.1% MoM in August 2022, following a 0.4% drop in July

- The Euro appreciated on Wednesday on expectations that the European Union will raise more than \$140 billion from energy firms to help shield households and businesses from soaring prices that threaten economic recession and insolvencies
- The pound edged higher by almost 0.40% yesterday amid a weak US dollar. However, sharp upside was capped after data showed, annual inflation rate in the UK unexpectedly edged lower to 9.9% in August 2022 from 10.1% in July, which was the highest reading since 1982 and below market forecasts of 10.2%

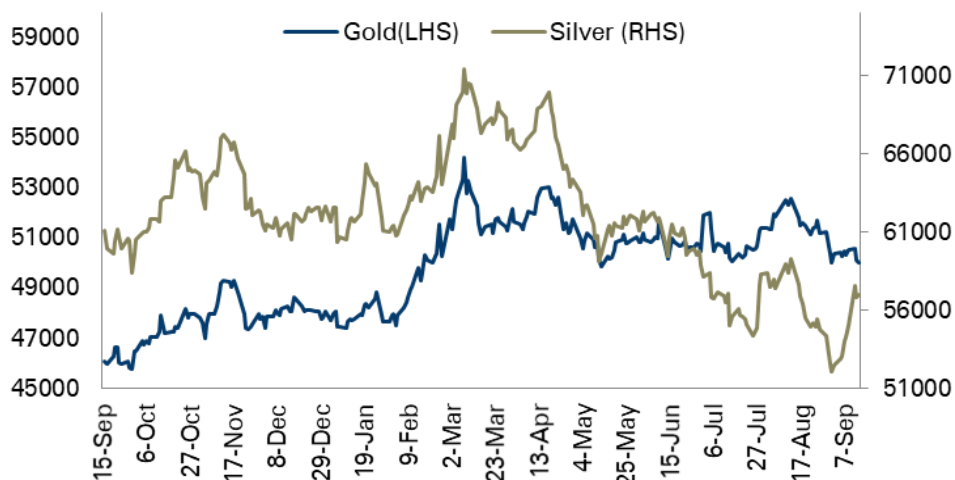
Follow-up

Currency/Commodity	Contract	Action	Price	Target	Stoploss	Comment
Copper	Sep	Sell	653-653.20	643	659	Exit in Profit
GBPINR	Sep	Sell	93.00-93.02	92.70	93.20	Not Initiated

Bullion Outlook

- MCX gold traded flat on Wednesday despite a weak US dollar and US 10 year's treasury yields
- Further, bets of steep rate hikes from the US Federal Reserve pressurised 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 ₹ 50,150 to trade in an upward trend towards the level of ₹ 50,300 in the coming session
- Additionally, silver prices are likely to take cues from gold prices and rise towards the level of ₹ 58,400 in coming sessions

MCX Gold vs Silver Performance



MCX Price Performance

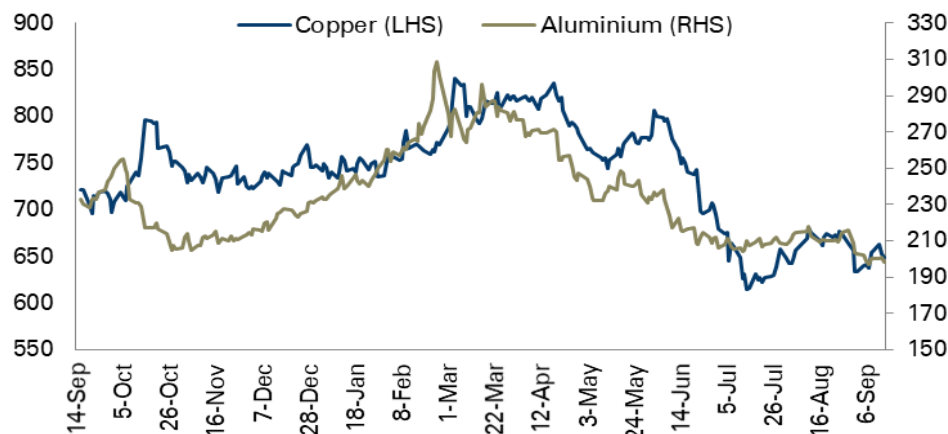
Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	50021	-0.23%	1705.85	-0.67%
Silver	56970	0.28%	19.55	0.31%
MCXBULLDEX	13881	-0.08%	-	-
Copper	648.90	-0.61%	7788.50	-1.02%
Aluminium	198.55	-1.24%	2275.00	-1.64%
Zinc	287.40	0.79%	3241.00	0.43%
Lead	180.80	1.23%	1952.50	0.18%
WTI Crude Oil	7109	2.61%	88.59	1.47%
US Nat Gas	710.1	8.40%	9.09	9.73%
MCXENRGDEX	9982	5.18%	-	-

Daily Commodity Pivot Levels

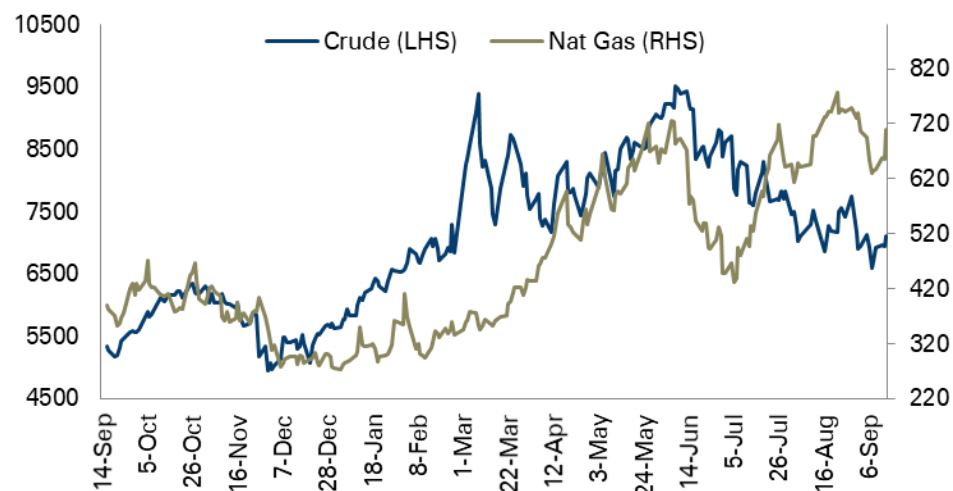
Commodity	S2	S1	Pivot	R1	R2
Gold	49908	49965	50056	50113	50204
Silver	55919	56444	56840	57365	57761
MCXBULLDEX	13802	13841	13875	13914	13948
Copper	641.6	645.3	649.9	653.5	658.1
Aluminium	193.5	196.0	198.8	201.4	204.2
Zinc	279.5	283.4	285.5	289.5	291.6
Lead	177.1	178.9	179.9	181.8	182.8
Crude Oil	6751	6930	7044	7223	7337
Nat Gas	642.0	676.1	695.0	729.1	748.0
MCXENRGDEX	9336	9659	9835	10158	10334

Source: Bloomberg, Reuters, ICICI Direct Research

MCX Copper vs. Aluminium Performance



MCX Crude Oil vs. Natural Gas Performance



Base Metal Outlook

- MCX copper and aluminium prices fell on Wednesday as the threat of rising interest rates dampened the economic growth outlook and dented demand for base metals
- Aluminium prices were pressurised after clients of Russian aluminium producer Rusal were securing price discounts, when purchasing the company's metal as risk that exports could be hit by sanctions weakened demand
- We expect aluminium prices to trade with a negative bias for the day amid weak global economic outlook, which may dent demand for base metals

Energy Outlook

- MCX crude oil prices rose 2.50% yesterday as International Energy Agency expects an increase in gas-to-oil switching due to high prices this winter, even though the outlook for demand remains gloomy
- MCX natural gas prices advanced by 8.40% on Wednesday after reports showed EIA expect natural gas consumption to increase from 83 billion cubic feet per day (Bcf/d) in the US during 2022 to 86.6 Bcf/d for the year, the most annual US natural gas consumption on record
- We expect MCX natural gas prices to trade with a positive bias for the day amid expectations that US natural gas consumption will increase to record highs

Source: Bloomberg, Reuters, ICICI Direct Research

Economic Calendar

Data	Country	Time	Actual	Expected	Previous	Impact
French CPI (MoM) (Aug)	EUR	12:15 PM	-	0.40%	0.30%	Medium
Trade Balance (Jul)	EUR	2:30 PM	-	-20.0B	-24.6B	Medium
Retail Sales (MoM) (Aug)	USD	6:00 PM	-	0.20%	0.00%	High
Philadelphia Fed Manufacturing Index (Sep)	USD	6:00 PM	-	2.8	6.2	High
Initial Jobless Claims	USD	6:00 PM	-	226K	222K	High
Industrial Production (MoM) (Aug)	USD	6:45 PM	-	0.10%	0.60%	Medium
Natural Gas Storage	USD	8:00 PM	-	-	54B	Medium

Source: Bloomberg, Reuters, ICICI Direct Research

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Source: Bloomberg, Reuters, ICICI Direct Research

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