

February 27, 2024

Daily Currency & Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	March	Sell	728-728.5	721	732	Intraday
EURINR	March	Buy	89.98-90.0	90.40	89.80	Intraday

Research Analysts

Jay Thakkar
jay.thakkar@icicisecurities.com

Raj Deepak Singh
rajdeepak.singh@icicisecurities.com

Saif Mukadam
saif.mukadam@icicisecurities.com

Anup Sahu
anup.sahu@icicisecurities.com

News and Developments

- Gold prices eased from its two week's high amid higher treasury yields. Fading odds of an early US interest rate cut by the Fed weighed on the bullions to trim its earlier gains. Meanwhile, persistent geopolitical risks in the Middle East and Ukraine capped further losses.
- The US dollar index edged lower yesterday amid weaker than expected US January new home sales numbers. US January new home sales rose to 661k against expectation of 684k.
- US 10-year treasury yields moved higher on Monday ahead of the scheduled auction of \$127 billion of Government coupon debt. 2-year treasury yield, which typically moves in step with interest rate rose to 4.72%.
- Crude oil rebounded above \$77 mark amid disruption of oil exports from Libya. Demand from the refiners and other nations due to the shipping issues via Red Sea has supported the oil prices to rise back above the \$77 mark. Meanwhile, demand concerns from China checked its upside.
- Copper prices shed more than 0.50% amid demand concerns from the top metal consumer China. Sluggish growth in the housing sector in China and contraction in the manufacturing activity has weighed on the metal price. Further, sharp jump in SHFE stocks to its highest level in last 2 months also weakened the metals.
- NYMEX natural gas prices rose yesterday despite mild weather forecast. Hopes of lower production from top producers helped the gas prices to rise more than 4% .

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	62149	-0.31%	2031.24	-0.20%
Silver	69430	-1.49%	22.52	-1.87%
Copper	723.5	-0.34%	8466.00	-1.18%
Aluminium	198.6	1.72%	2180.00	0.00%
Zinc	216.7	0.14%	2424.50	0.81%
Lead	176.3	0.00%	2097.00	0.07%
WTI Crude Oil	6466	1.78%	77.58	1.43%
US Nat Gas	145.8	1.89%	1.66	3.49%

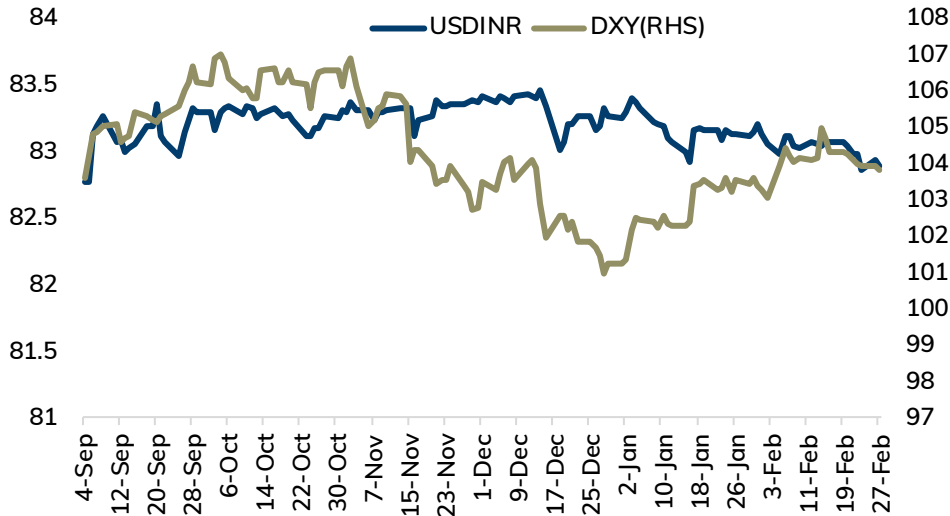
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Feb)	82.89	-0.06%	1595237	-546203	2078233	839953
EURINR (27th Feb)	89.92	0.12%	58798	-28174	117271	30314
GBPINR (27th Feb)	105.17	0.03%	138243	-34999	157479	34319

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	March	Sell	731.50-732.00	726	736	Not Initiated
EURINR	February	Sell	89.80-89.82	89.40	90.00	Exit in Loss

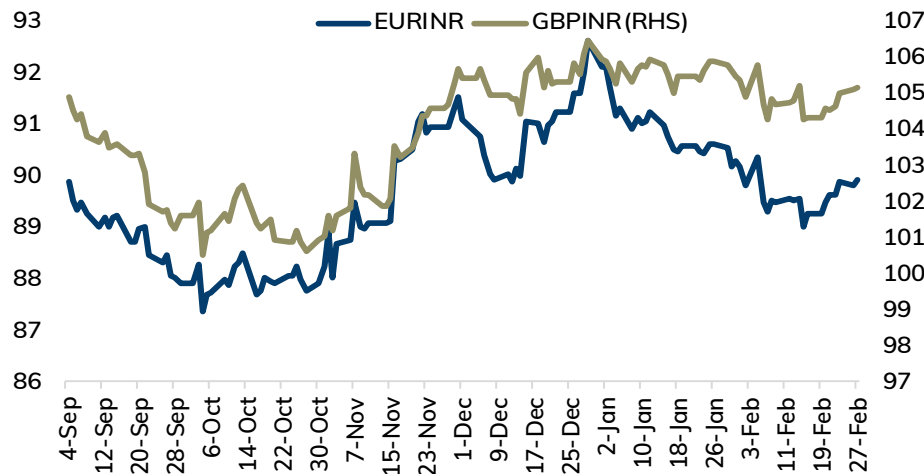
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee appreciated yesterday amid weakness in dollar. Further, rupee was aided by likely inflows. Meanwhile, sharp gains were prevented due risk aversion in the domestic markets and dollar demand from importers
- Rupee is likely to appreciate today amid weak dollar and retreat in US treasury yields. Dollar took back foot ahead of slew of economic data from US scheduled this week, as it will provide fresh signals on how soon Fed may begin cutting interest rates. Meanwhile, sharp gains may be prevented on pessimistic global market sentiments and rise in crude oil prices. Additionally, month end dollar demand from importers may hurt domestic pair. USDINR March likely to slip towards 82.85 levels as long as it sustains below 83.05 levels

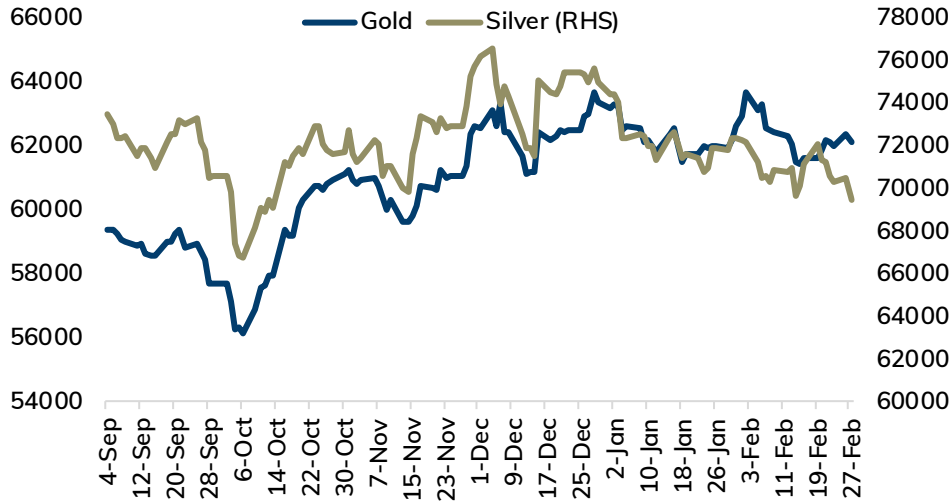
EURINR vs. GBPINR



Euro and Pound Outlook

- Euro edged up by 0.3% yesterday buoyed by weakness in dollar and hawkish comments from ECB policymakers. They signaled that central bank shouldn't rush into a decision to cut interest rates. For today, EURUSD is likely to hold the support near 1.0810 level and rise towards 1.0880 level amid soft dollar and as most of ECB officials pushed back rate cut expectations. Meanwhile, anticipation of weak economic data from euro zone may prevent sharp upside in single currency. EURINR March may rise towards 90.40 level as long as it trades above 89.80 levels
- Pound is expected to rise further towards 1.2710 level amid weakness in dollar. Meanwhile, investors will remain cautious ahead of statements from BOE officials to get fresh cues on interest rate outlook. GBPINR March is likely to move north towards 105.50 level as long as it stays above 104.90 levels

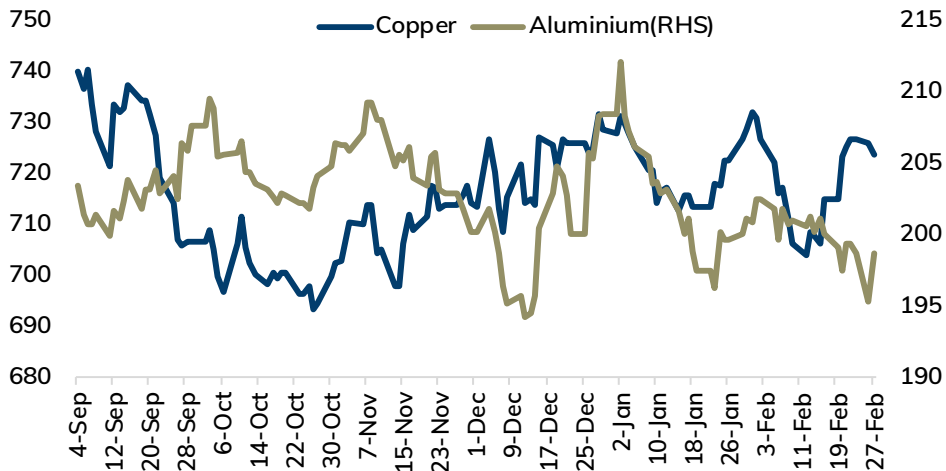
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is expected to remain in a tight range ahead of the key economic numbers this week. Today, prices may move towards the higher band of the consolidation range \$2010-\$2040 on expectation of weaker US durable goods order data. Further, safe haven buying due to the unrest in Mideast and Ukraine would also support the bullions. However, focus will remain on this weeks key US core PCE price index and GDP numbers which might give more clarity on future interest rate path.
- MCX Gold April price is expected to consolidate in the band of 61900 and 62,400. Only a move outside of the range would bring further clarity in its direction.
- MCX Silver March holds strong support near 69,000, if holds then it would rebound towards 70,200.

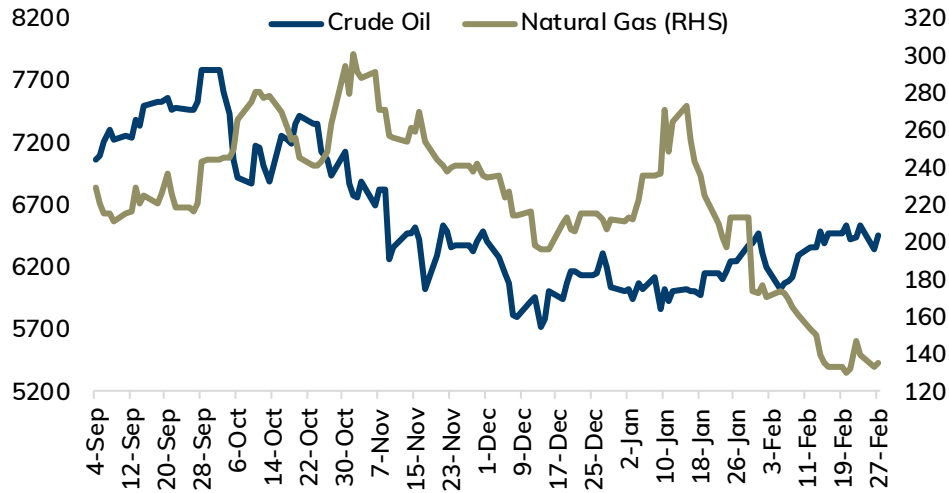
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade lower amid sluggish growth of the property sector in China. Further, sharp jump in inventory level in SHFE has erased the supply concerns. Additionally, forecast of contraction in the manufacturing activity in China for the third month in a row would hurt the red metal to trade lower. Meanwhile, investor will eye on key economic numbers from US to get more clarity on the timing of interest rate cut.
- MCX Copper March is expected to face the hurdle near 730 and dip towards 721. Only close below 721 it would weaken towards 717.
- Aluminum March future is expected to dip towards 195, as long as it trades under the 200 mark.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to hold the support near \$75 and move higher towards \$78.50 amid strong physical demand and supply concerns. Higher crack spread will encourage the refiners to boost their crude purchases. Crack spread hit to its highest level in last five months. Further, supply disruption due to unrest in the Mideast and tension in the Red Sea would support the oil prices to stay above the \$75 mark.
- MCX Crude oil March is expected to hold the support near 6300 and move towards 6520. For now 6520, would act as major resistance for price. A move above would bring fresh buying in oil prices and push it towards 6600.
- MCX Natural gas March futures is expected to find support near 140 and move higher towards 155 on the prospects of production cut by major producers in US.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	61890	62019	62180	62309	62470
Silver	68821	69125	69688	69992	70555
Copper	716.6	720.1	725.4	728.9	734.2
Aluminium	196.9	197.8	198.4	199.2	199.8
Zinc	212.4	214.6	218.1	220.3	223.8
Lead	176.3	176.3	176.3	176.3	176.3
Crude Oil	6242	6354	6413	6525	6584
Nat Gas	139	142	148	151	157

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Feb)	82.84	82.86	82.89	82.91	82.94
US\$INR (Mar)	82.91	82.94	82.97	82.99	83.02
EURINR (Feb)	89.59	89.76	89.85	90.02	90.11
EURINR (Mar)	89.76	89.91	90.00	90.15	90.24
GBPINR (Feb)	104.82	104.99	105.10	105.28	105.39
GBPINR (Mar)	104.87	105.05	105.16	105.33	105.44
JPYINR (Feb)	54.96	55.01	55.10	55.16	55.24
JPYINR (Mar)	55.18	55.31	55.43	55.56	55.68

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	103.83	103.94	-0.10%
US\$INR	82.90	82.95	-0.06%
EURUSD	1.0851	1.0821	0.28%
EURINR	89.86	89.73	0.15%
GBPUSD	1.2685	1.2672	0.10%
GBPINR	105.11	104.98	0.12%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.064	7.076	-0.012
US	4.280	4.248	0.0315
Germany	2.440	2.363	0.077
UK	4.162	4.037	0.125
Japan	0.686	0.720	-0.034

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
2/22/2024	9:30 PM	3.5M	3.9M
2/14/2024	9:00 PM	12.0M	3.3M
2/7/2024	9:00 PM	5.5M	1.7M
1/31/2024	9:00 PM	1.2M	-0.8M
1/24/2024	9:00 PM	-9.2M	-1.2M
1/18/2024	9:30 PM	-2.5M	-0.6M
1/10/2024	9:00 PM	1.3M	-0.2M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	127825	4925	4.01%
Aluminium	581800	1525	0.26%
Zinc	268600	0	0.00%
Lead	172250	-1550	-0.89%
Nickel	69972	-336	-0.48%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, February 26, 2024						
8:30 PM	US	New Home Sales	661K	680K	664K	Medium
Tuesday, February 27, 2024						
12:30 PM	Europe	German GfK Consumer Climate	-	-29	-29.7	Medium
7:00 PM	US	Durable Goods Orders m/m	-	-4.70%	0.00%	Medium
7:30 PM	US	S&P/CS Composite-20 HPI y/y	-	6%	5.40%	Medium
8:30 PM	US	CB Consumer Confidence	-	114.8	114.8	High
8:30 PM	US	Richmond Manufacturing Index	-	-4	-15	Medium
Wednesday, February 28, 2024						
7:00 PM	US	Prelim GDP q/q	-	3.30%	3.30%	High
7:00 PM	US	Prelim GDP Price Index q/q	-	1.50%	1.50%	High
9:00 PM	US	Crude Oil Inventories	-	-	3.5M	Medium
Thursday, February 29, 2024						
12:30 PM	Europe	German Retail Sales m/m	-	0.50%	-1.60%	Medium
12:30 PM	Europe	German Prelim CPI m/m	-	0.50%	0.20%	High
1:30 PM	Europe	Spanish Flash CPI y/y	-	2.80%	3.40%	Medium
3:30 PM	India	GDP Annual Estimate YoY	-	6.90%	7.30%	High
3:30 PM	India	GDP YoY	-	6.50%	7.60%	High
7:00 PM	US	Core PCE Price Index m/m	-	0.40%	0.20%	High
7:00 PM	US	Unemployment Claims	-	209K	201K	High
7:00 PM	US	Personal Spending m/m	-	0.20%	0.70%	Medium
8:15 PM	US	Chicago PMI	-	47.9	46	Medium
8:30 PM	US	Pending Home Sales m/m	-	1.50%	8.30%	Medium
9:00 PM	US	Natural Gas Storage	-	-	-60B	Medium
Friday, March 01, 2024						
7:00 AM	China	Manufacturing PMI	-	49.1	49.2	High
7:00 AM	China	Non-Manufacturing PMI	-	50.8	50.7	High
7:15 AM	China	Caixin Manufacturing PMI	-	50.7	50.8	High
3:30 PM	Europe	CPI Flash Estimate y/y	-	2.50%	2.80%	Medium
8:30 PM	US	ISM Manufacturing PMI	-	49.5	49.1	High
8:30 PM	US	Revised UoM Consumer Sentiment	-	79.6	79.6	High

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

I/We, Jay Thakkar MBA (Finance), 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.