

October 4, 2023

---

## Daily Currency & Commodities Outlook

---

### Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Copper	October	Sell	705-706	696	711	Intraday
EURINR	October	Sell	87.40-87.42	87.00	87.60	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

- Spot Gold hit the lowest level in last 7-months amid strong dollar and higher treasury yields. The rising prospects of higher for longer interest rates by the Federal reserve has weighed on the bullions to slide below the \$1830 mark.
- The 10-year US treasury yields rallied to 4.75% and 30-year bond yields went past the 4.8% after strong US economic numbers strengthened the chances that the Federal reserve will keep the rates higher for longer.
- The US JOLT job opening numbers increased to 9.61 million in August against previous reading of 8.83 million. The data prompted Fed policymakers Bowman and Mester to raise the possibility of another rate hike this year, while Bostic warned that the funds rate will need to remain at the terminal level for a long period.
- As per CME Fed watch tool expectations for Fed to keep rate steady at the next meeting decreased to 67% from 72.5% a day ago while, prospects for increase by 25bps in November meeting has moved up to 33% from 27.5% a day ago
- NYMEX Crude oil prices recouped its losses and moved towards the \$90 mark amid tightness in the global supplies. The strong US job opening numbers also supported the bullish outlook in the oil prices and helped it to erase most of its losses. Meanwhile, stronger dollar index and weakness in global equities amid prospects of higher for longer interest rates has checked the upside in the price.
- Copper prices slide to its four-month lows on Tuesday as higher inventories in LME registered warehouses and stronger dollar reinforced demand concerns of the metal. Stocks in LME warehouses climbed to 168000 tonnes highest since May 2022. Further, weaker manufacturing activity in Europe also checked any possibility of upside in the red metal.

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	56279	-1.45%	1823.02	-0.27%
Silver	67394	-3.53%	21.17	0.61%
Copper	707.9	-2.40%	8006.50	-0.58%
Aluminium	210.6	-0.64%	2290.00	-1.34%
Zinc	225.8	-2.78%	2502.00	-3.79%
Lead	186.8	-0.64%	2118.00	-1.30%
WTI Crude Oil	7448	-1.25%	89.23	0.46%
US Nat Gas	245.6	-0.12%	2.95	3.84%

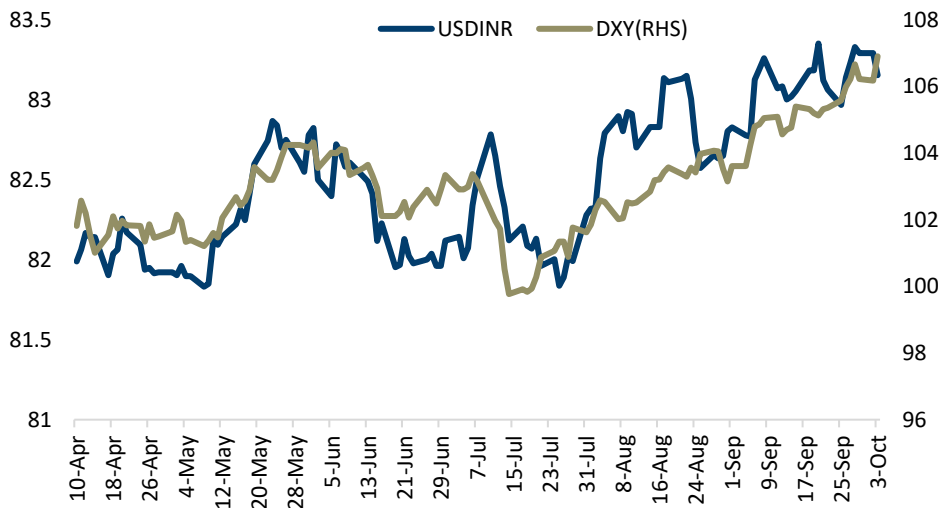
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Oct)	83.30	0.18%	4047190	50269	1666368	239782
EURINR (27th oct)	87.36	-1.04%	132600	15775	177648	42415
GBPINR (27th Oct)	100.51	-1.46%	213906	23175	226974	80621

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	October	Sell	714.0-714.50	707	720	Not Initiated
USDINR	October	Buy	83.14-83.15	83.35	83	Not Initiated

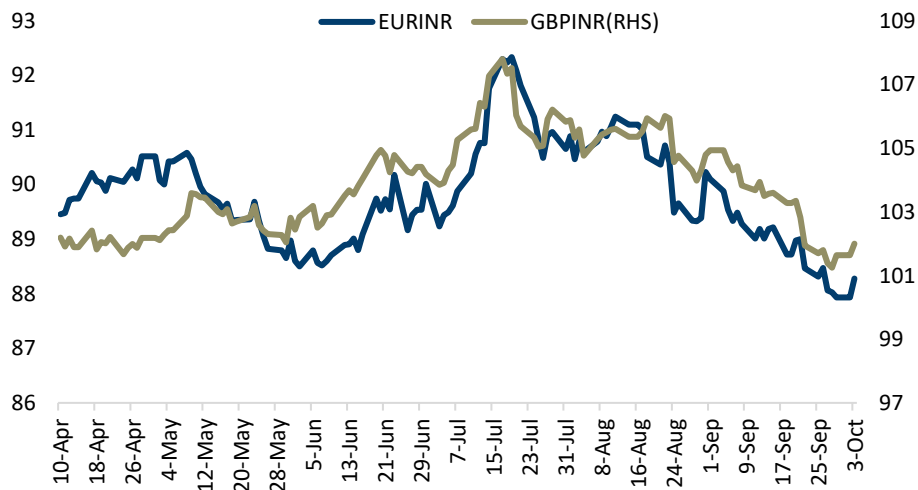
## Dollar Index vs. US\$INR



## Rupee Outlook

- Rupee depreciated yesterday amid strong dollar and surge in US treasury yields. Further, rupee slipped on risk aversion in the global markets
- Rupee is expected to depreciate further mainly on the back of firm dollar and elevated US treasury yields. Yields are rising as fresh economic data from US signaled resilience in the economy, cementing expectations that US Federal Reserve will hold interest rates higher for longer duration than previously estimated. Additionally, hawkish statements from Fed officials are pushing yields up and supporting dollar. Meanwhile, investors will remain cautious ahead of ADP Non-Farm Employment change and services PMI data to get more cues on rate outlook. USDINR is likely to rise further till 83.40 levels as long as it sustains above 83.10 levels

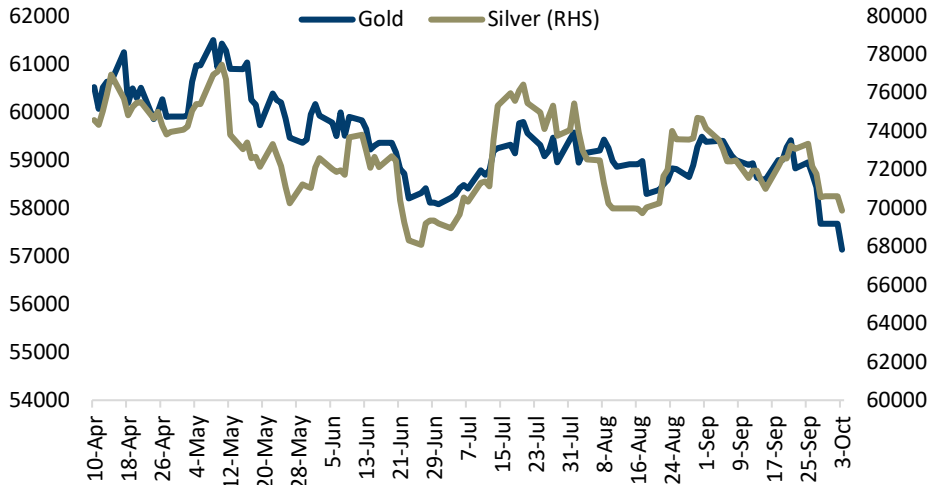
## EURINR vs. GBPINR



## Euro and Pound Outlook

- Euro ended on negative note amid strong dollar and risk aversion in the global markets. However, further downside was cushioned on hawkish comments from ECB official. For today, EURUSD is likely to slip further towards 1.0420 levels as long as it remains below 1.05 levels amid firm dollar and pessimistic global market sentiments. Additionally, expectations of disappointing economic data from eurozone will hurt single currency. EURINR may move south towards 87.00 level as long as it stays below resistance level of 87.60 levels
- Pound is expected to slip further towards 1.2010 level on firm dollar and on concerns over economic growth outlook. Further, sterling may weaken on expectations that Bank of England might be done with rate hikes. GBPINR is likely to dip towards 100.10 level as long as it trades below 100.90 level.

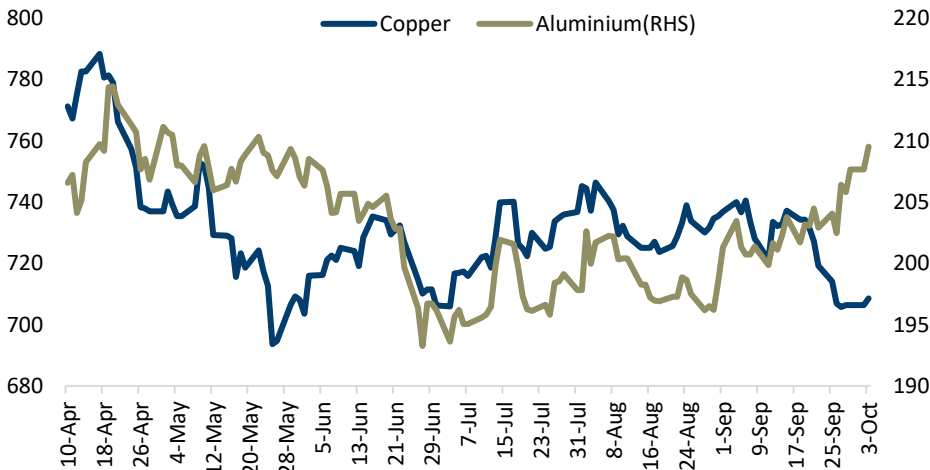
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to slip back towards \$1810 levels as long as it sustains below \$1834 levels amid firm dollar and surge in US treasury yields. The rising bond yields amid hawkish comments from the fed members and better economic numbers from the US could limit the upside in the bullions. Meanwhile, investors will remain cautious ahead of key US ADP- Non-farm employment and service PMI data.
- MCX Gold prices is likely to move south towards 56,500 level as long as it trades below the resistance level of 57,300 levels
- MCX Silver is expected to slip towards 66,000 level as long as it sustains below 68,500 level

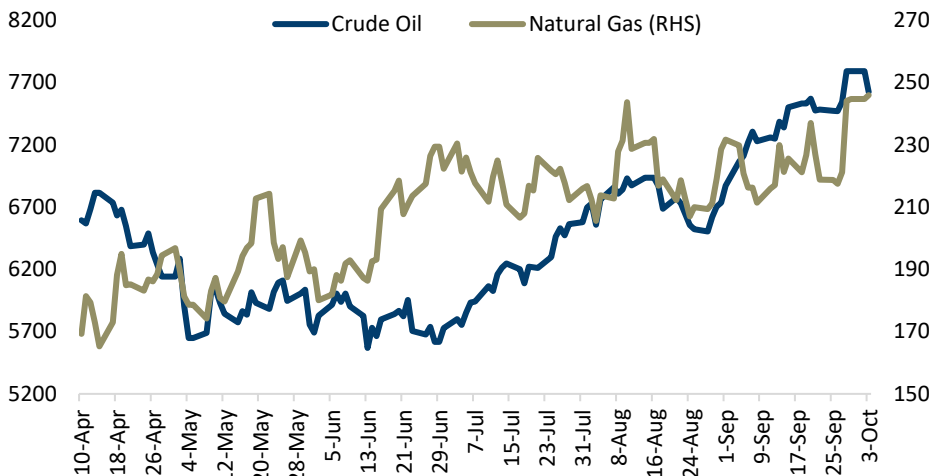
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices are expected to trade with negative bias amid risk aversion in the global markets. Higher inventory levels at LME registered warehouses would also check the gains in the metal. The demand at the physical market remained subdued amid holiday weekend in China. Further, stronger dollar amid prospects of higher interest rates would also weigh on the metals.
- MCX Copper may slip further towards 696 levels as long as it trades below 710 levels
- MCX aluminium is expected to move downward to 207 level as long as it stays below resistance level of 211 level

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to find support near \$88 and move towards \$91 mark amid growing concerns over tighter global supplies. The drop in US API crude oil stocks by 4.21 million barrels last week against forecast of withdraw of 92 thousand would also support the oil prices. Meanwhile, investor will focus on outcome of the OPEC+ meeting and key US economic numbers.
- MCX Crude oil is likely to move up towards 7560 level as long as it sustains above 7300 levels
- MCX Natural gas is expected to move towards 250 level as long as it stays above 238 level

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	55934	56106	56323	56495	56712
Silver	63849	65622	67438	69211	71027
Copper	698.8	703.3	707.8	712.4	716.9
Aluminium	208.3	209.5	210.7	211.9	213.1
Zinc	222.8	224.3	226.5	228.0	230.2
Lead	185.8	186.3	186.9	187.4	188.0
Crude Oil	7238	7343	7430	7535	7622
Nat Gas	232	239	242	249	253

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	83.23	83.27	83.30	83.33	83.36
US\$INR (Nov)	83.22	83.32	83.38	83.48	83.54
EURINR (Oct)	87.13	87.25	87.39	87.51	87.65
EURINR (Nov)	87.17	87.38	87.69	87.89	88.21
GBPINR (Oct)	100.21	100.36	100.63	100.78	101.05
GBPINR (Nov)	100.42	100.56	100.79	100.92	101.15
JPYINR (Oct)	55.74	55.79	55.89	55.94	56.03
JPYINR (Nov)	56.05	56.13	56.24	56.32	56.43

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	107.00	106.90	0.09%
US\$INR	83.21	83.04	0.20%
EURUSD	1.0467	1.0477	-0.10%
EURINR	87.24	88.15	-1.04%
GBPUSD	1.2077	1.2087	-0.08%
GBPINR	100.52	101.83	-1.28%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.234	7.215	0.019
US	4.796	4.679	0.117
Germany	2.968	2.922	0.046
UK	4.597	4.564	0.033
Japan	0.767	0.777	-0.01

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
9/27/2023	8:00 PM	-2.2M	-0.7M
9/20/2023	8:00 PM	-2.1M	-1.3M
9/13/2023	8:00 PM	4.0M	-2.2M
9/7/2023	8:30 PM	-6.3M	-2.06M
8/30/2023	8:00 PM	-10.6M	-2.2M
8/23/2023	8:00 PM	-6.1M	-2.9M
8/16/2023	8:00 PM	-6.0M	-2.4M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	168600	-700	-0.41%
Aluminium	504850	18075	3.71%
Zinc	99100	-3675	-3.58%
Lead	78600	275	0.35%
Nickel	42204	0	0.00%

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, October 02, 2023						
7:30 PM	US	ISM Manufacturing PMI	49.00	47.80	47.60	High
8:30 PM	US	Fed Chair Powell Speaks	-	-	-	High
Tuesday, October 03, 2023						
7:30 PM	US	JOLTS Job Openings	9.61M	8.85M	8.83M	High
<b>Wednesday, October 04, 2023</b>						
<b>1:30 PM</b>	<b>Europe</b>	<b>Final Services PMI</b>		<b>48.40</b>	<b>48.40</b>	<b>High</b>
<b>11:30 AM</b>	<b>Europe</b>	<b>ECB President Lagarde Speaks</b>		-	-	<b>Medium</b>
<b>2:30 PM</b>	<b>Europe</b>	<b>Retail Sales m/m</b>		<b>-0.50%</b>	<b>-0.20%</b>	<b>Medium</b>
<b>All Day</b>	<b>All</b>	<b>OPEC-JMMC Meeting</b>		-	-	<b>Medium</b>
<b>6:00 PM</b>	<b>US</b>	<b>ADP Non-Farm Employment Change</b>		<b>155k</b>	<b>177k</b>	<b>High</b>
<b>8:00 PM</b>	<b>US</b>	<b>ISM Services PMI</b>		<b>53.50</b>	<b>54.50</b>	<b>High</b>
<b>8:00 PM</b>	<b>US</b>	<b>Crude oil Inventories</b>		-	<b>(-2.2)M</b>	<b>Medium</b>
Thursday, October 05, 2023						
2:00 PM	UK	Construction PMI		50.00	50.80	Medium
6:00 PM	US	Unemployment Claims		-	204K	High
Friday, October 06, 2023						
10:00 AM	IND	RBI Interest Rate decision		6.5%	6.5%	High
11:30 AM	Europe	German Factory Orders m/m		1.6%	-11.7%	Medium
6:00 PM	US	Average Hourly Earnings m/m		0.3%	0.2%	High
6:00 PM	US	Non-Farm Employment Change		168k	187k	High
6:00 PM	US	Unemployment Rate		3.7%	3.8%	High

Source: Bloomberg, Reuters, ICICI Direct Research



---

Pankaj Pandey

Head – Research

[pankaj.pandey@icicisecurities.com](mailto: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](mailto: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 – INH00000990. 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](http://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](mailto:complianceofficer@icicisecurities.com)

For any queries or grievances: Mr. Prabodh Avadhoot Email address: [headservicequality@icicidirect.com](mailto: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](http://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.