

March 13, 2024

Daily Currency & Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	April	Sell	65400-65420	65000	65650	Intraday
USDINR	March	Buy	82.80-82.81	82.96	82.70	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

- Spot gold prices ended on the negative note falling by more than 1% yesterday amid strong dollar and surge in US treasury yields. Gold prices slipped after CPI data from US showed hotter than expected inflation last month, diminishing prospect of Federal Reserve cutting interest rate soon
- US CPI rose 0.4% in February, in line with the forecast for a 0.4% increase. On a year-on-year basis, the CPI gained 3.2%, compared with the estimated 3.1% rise. Core-CPI figure rose 0.4% month-on-month in February, compared with an estimated 0.3% rise. Annually, it gained 3.8%, compared with the forecast of a 3.7% increase
- Dollar index rose after data showed US inflation came in hotter than expected paring back expectations of early interest rate cut by Federal Reserve
- As per CME Fedwatch tool, expectations for Fed to cut rate in June slipped to 57.1% from 59.6% a day ago while, prospects of no rate cut increased to 33.4% from 28.4% a day ago
- US Treasury yields surged yesterday after a hot US inflation report. Yield on benchmark US 10-year treasury note rose to 4.153% and 2-year treasury yield, which typically moves in step with interest rate expectations edged higher to 4.588%.
- Crude oil prices edged slightly lower on higher than expected forecast for US crude oil production and strong dollar after hot CPI data. US EIA raised its 2024 outlook for domestic oil output growth by 260,000 bpd to 13.19 million barrels, versus a previously forecast rise of 170,000 bpd
- Copper prices moved north amid lower inventories and rise in risk appetite in the global markets. Meanwhile, sharp upside was capped on strong dollar

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	65481	-0.84%	2158.34	-1.12%
Silver	73850	-0.89%	24.14	-1.32%
Copper	736.0	-0.10%	8657.00	0.05%
Aluminium	204.0	0.37%	2265.00	0.27%
Zinc	223.1	-0.16%	2561.00	-0.23%
Lead	181.6	0.30%	2144.00	0.85%
WTI Crude Oil	6447	0.06%	77.56	-0.47%
US Nat Gas	141.7	-3.67%	1.71	-2.56%

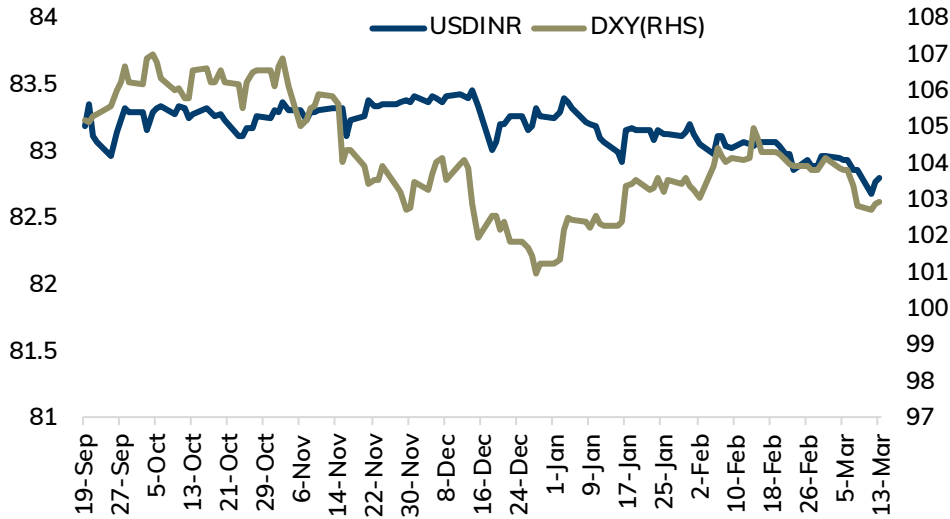
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Mar)	82.80	0.04%	3060845	36072	1241404	-971458
EURINR (26th Mar)	90.55	0.01%	132067	-2768	77839	-60761
GBPINR (26th Mar)	105.91	-0.31%	249638	-31380	158092	-56486

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	March	Sell	150-151	144	154	Target Achieved
EURINR	March	Buy	90.45-90.46	90.75	90.30	Profit Booked

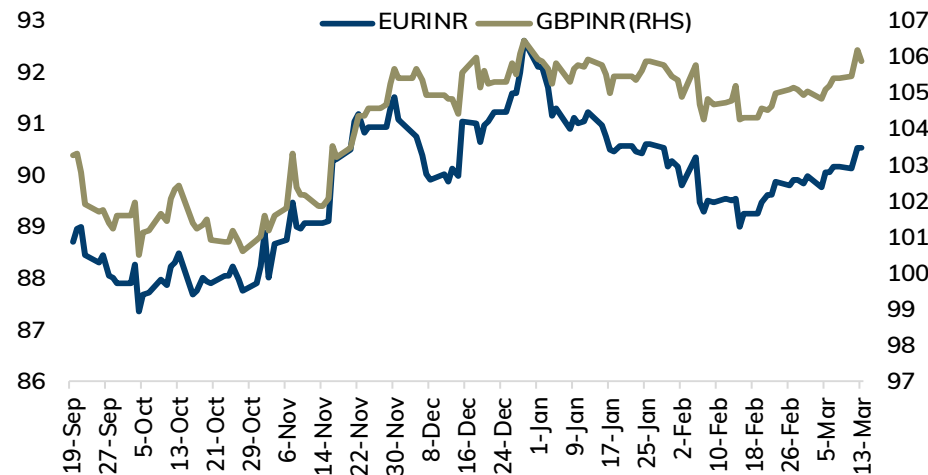
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee largely remained in a tight range yesterday and settled near 82.76, ahead of the crucial US consumer inflation data.
- Rupee is likely to depreciate today amid rebound in dollar and US treasury yields. US Dollar and Yields are likely to move north after yesterday's inflation numbers dragged the odds of early rate cut by Fed. US CPI numbers in February inched higher to 3.2% YoY against forecast of 3.1% YoY. The slightly stronger than expected US CPI report confirmed that the FOMC will not cut the rates sooner if inflation remains above the target 2%. Meanwhile, strong inflows into the domestic markets is likely to favor the rupee to trim its losses. USDINR March likely to find support near 82.70 and move higher towards 83.00. Only a move above 83.00 it would test 83.10.

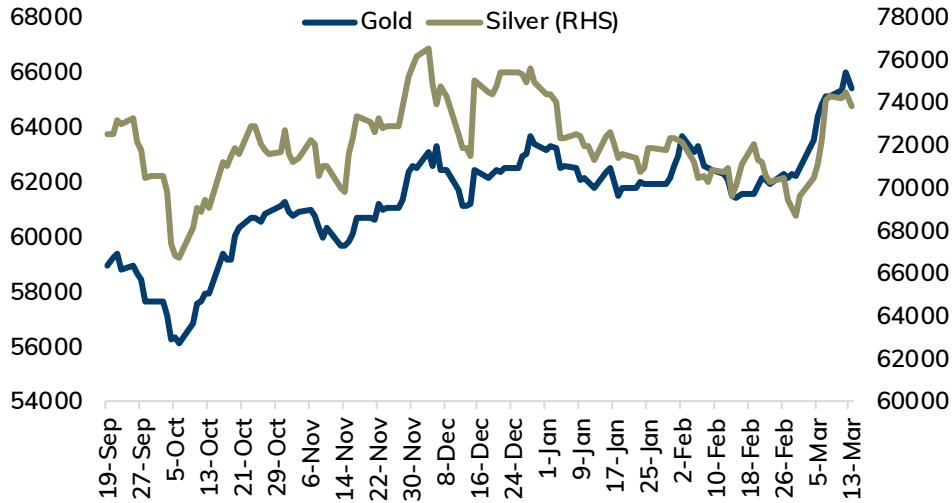
EURINR vs. GBPINR



Euro and Pound Outlook

- Euro pared its gains due to the strong dollar. Its gains were restricted amid dovish comments from the ECB Governing council members and the ECB President Lagarde last week. The probability of 25 bps rate cut has gone up to 90% for June meeting. For today, EURUSD is likely to dip towards 1.090 level as long as it trades under 1.0960 level amid strong dollar and weaker economic numbers from Euro zone. EURINR March may face the hurdle at 90.75 level and slide towards 90.30 levels
- Pound is traded lower yesterday after the unemployment rate in UK moved up last month to 3.9%. The pair is likely to face stiff resistance near 1.2830 amid expectation of weak economic numbers and strong dollar. Meanwhile, all focus will be on today's GDP numbers which could give further clarity in its direction. GBPINR March is likely to move south towards 105.50 level as long as it stays below 106.25 levels

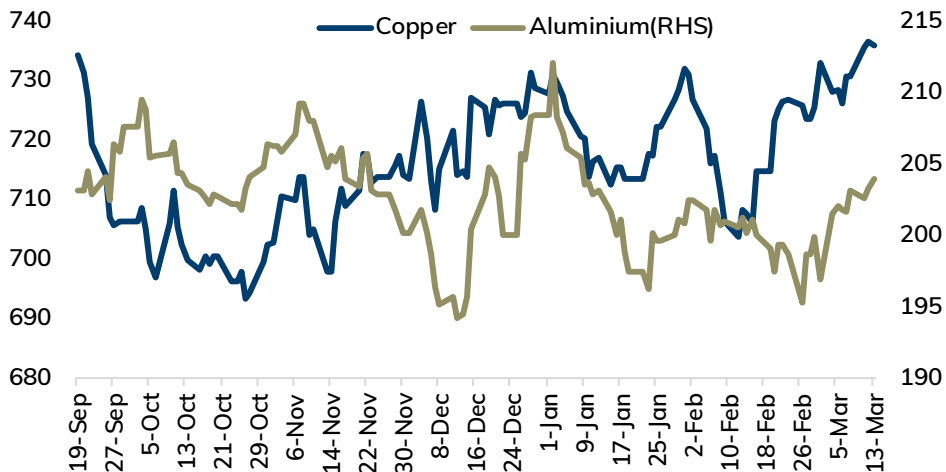
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to face the hurdle near \$2170 level and slip towards \$2140 levels amid strong dollar and surge in US treasury yields across curve. Yields and Dollar are moving north as hotter than expected inflation data from US raised the concerns among investors that Fed would not be able to cut interest rates sooner if price pressure continues to remain elevated. After the data traders reduced bets that Fed will cut rates by June. Traders will now shift their focus to the Thursday release of producer price index and initial jobless claims. Meanwhile, demand for safe haven may increase on mounting tension in Middle East
- MCX Gold April prices is likely to slip further towards 65,000 level as long as it stays below 65,700 levels
- MCX Silver May is expected to follow gold and slid further towards 73,000 level as long as it sustains below 74,100 level.

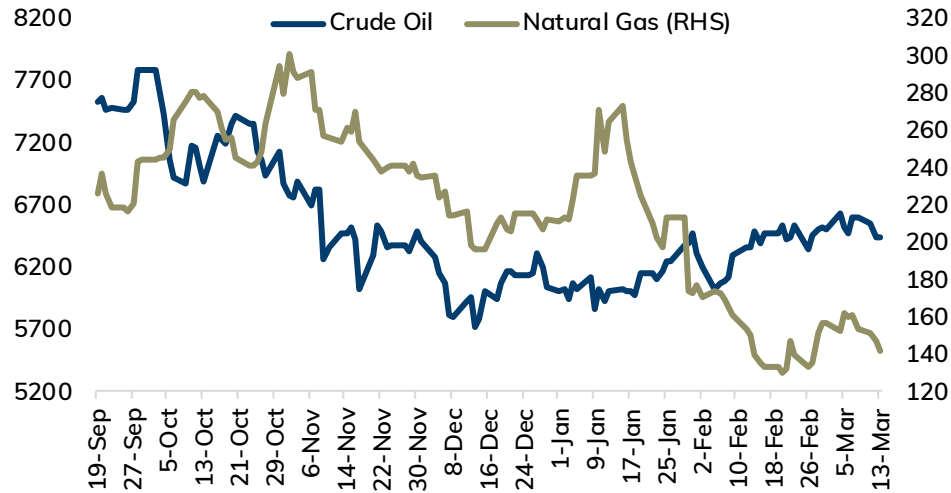
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with negative bias amid strong dollar. Further, investors fear that sticky inflation will force major central banks across globe to hold rates steady at higher levels for prolonged period, hurting economic growth and demand for metals. Additionally, investors will remain cautious ahead of Chinese loan data for indications of demand from the top metals consumer. Moreover, subdued economic growth outlook, poor manufacturing data and the lack of a big stimulus support from China would hurt metal prices
- MCX Copper is expected to slip towards 730 level as long as it stays below 740 level. A move below 730 would open the doors for 726 levels.
- Aluminum is expected to move south towards 202.50 level as long as it stays below 204.50 level.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to slip further towards \$76 amid strong dollar after hot inflation figures. Further, US Energy Information Administration raised domestic oil output forecast. Moreover, prices may slip on forecast of bearish economic data. Meanwhile, sharp downside may be cushioned on ongoing geopolitical tension in Middle East and OPEC sticking to its forecast of a strong oil demand growth in coming years. Further, US crude stocks fell 5.521 million barrels in the week ended March 8, according to market sources citing American Petroleum Institute figures. Investors will keep an eye on official data on US crude oil inventories to get more cues
- MCX Crude oil is likely to slip towards 6350 levels as long as it trades below 6520 levels.
- MCX Natural gas is expected to slip further towards 135 level as long as it trades below 150 level

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	64974	65227	65636	65889	66298
Silver	72794	73322	74111	74639	75428
Copper	730.0	733.0	736.1	739.1	742.2
Aluminium	202.0	203.0	203.8	204.8	205.6
Zinc	219.2	221.1	223.2	225.2	227.3
Lead	179.9	180.8	181.2	182.1	182.5
Crude Oil	6359	6403	6458	6502	6557
Nat Gas	134	138	145	148	155

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Mar)	82.71	82.76	82.78	82.83	82.85
US\$INR (Apr)	82.82	82.86	82.88	82.91	82.93
EURINR (Mar)	90.40	90.47	90.52	90.59	90.64
EURINR (Apr)	90.56	90.64	90.68	90.76	90.81
GBPINR (Mar)	105.53	105.72	105.94	106.13	106.35
GBPINR (Apr)	105.64	105.81	105.99	106.16	106.34
JPYINR (Mar)	56.11	56.23	56.33	56.45	56.55
JPYINR (Apr)	56.50	56.62	56.76	56.88	57.02

Key Parameters

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	102.96	102.87	0.09%
US\$INR	82.78	82.76	0.01%
EURUSD	1.0927	1.0926	0.01%
EURINR	90.49	90.50	-0.02%
GBPUSD	1.2793	1.2814	-0.16%
GBPINR	105.88	106.29	-0.39%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.027	7.015	0.012
US	4.151	4.098	0.0525
Germany	2.330	2.303	0.027
UK	3.946	3.971	-0.025
Japan	0.770	0.759	0.011

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
3/6/2024	9:00 PM	1.4M	2.4M
2/28/2024	9:00 PM	4.2M	3.1M
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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	110900	50	0.05%
Aluminium	575675	-2000	-0.35%
Zinc	269850	-2100	-0.77%
Lead	191875	300	0.16%
Nickel	73572	0	0.00%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, March 11, 2024						
10:30 PM	UK	MPC Member Mann Speaks	-	-	-	Medium
Tuesday, March 12, 2024						
12:30 PM	UK	Claimant Count Change	16.8K	20.3K	14.1K	High
12:30 PM	UK	Average Earnings Index 3m/y	5.60%	5.70%	5.80%	High
5:30 PM	India	CPI y/y	5.09%	5.02%	5.10%	High
6:00 PM	US	CPI y/y	3.20%	3.10%	3.10%	High
Wednesday, March 13, 2024						
12:30 PM	UK	GDP m/m	-	0.20%	-0.10%	High
3:30 PM	Europe	Industrial Production m/m	-	-1.40%	2.60%	Medium
8:00 PM	US	Crude Oil Inventories	-	-	1.4M	Medium
Thursday, March 14, 2024						
6:00 PM	US	PPI m/m	-	0.30%	0.30%	High
6:00 PM	US	Retail Sales m/m	-	0.80%	-0.80%	High
6:00 PM	US	Unemployment Claims	-	218K	217K	High
8:00 PM	US	Natural Gas Storage	-	-	-40B	Medium
Friday, March 15, 2024						
3:30 PM	India	Trade Balance	-	-	-17.49B	Medium
6:00 PM	US	Empire State Manufacturing Index	-	-7.6	-2.4	High
6:45 PM	US	Industrial Production m/m	-	0.00%	-0.10%	Medium
7:30 PM	US	Prelim UoM Consumer Sentiment	-	77.3	76.9	High
7:30 PM	US	Prelim UoM Inflation Expectations	-	-	3%	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, 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.