

November 23, 2023

Daily Currency & Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	December	Sell	6400-6410	6200	6480	Intraday
USDINR	November	Sell	83.34-83.35	83.20	83.45	Intraday

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News and Developments

- Spot Gold pared its earlier gains and traded below the \$2000 mark amid rebound in the US dollar index and treasury yields. The US dollar index rebounded from its two and half month lows after the weekly US job less claims numbers fell by 24,000 from the previous weeks revised level of 233,000.
- The dollar rose to the 104 mark amid better weekly jobless claims data, along with improved consumer sentiment numbers. In addition, the University of Michigan U.S. Nov 1-year inflation expectations rose +0.1 to a 7-month high of 4.5%, above expectations of 4.4%
- Crude oil futures fell more than 1% on Wednesday after the members postponed the meeting to 30th November amid prospects of disagreement on production levels. Further, higher crude oil inventories also weighed on the oil price to slide below the \$75 mark.
- The weekly EIA inventory numbers rose by 8.7M barrels against forecast of 0.5M barrels. US gasoline stocks also increased by 0.7M barrels last week.
- Copper futures fall from its two month high amid stronger dollar. Further profit booking ahead of the Thanksgiving holiday in US also pressured the red metal to trade lower. Meanwhile, depleting inventory levels in SHFE and recent stimulus from China limited the downside in the metal.
- NYMEX Natural gas futures rose more than 1% yesterday after the EIA data reported a surprise drawdown in inventories. US natural gas inventories declined by 7 bcf against market forecast of an increase by 1 bcf.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	61024	-0.33%	1990.17	-0.41%
Silver	72826	-0.65%	23.63	-0.51%
Copper	712.9	-0.61%	8353.50	-1.13%
Aluminium	203.2	-1.24%	2218.50	-1.77%
Zinc	223.4	-1.28%	2495.00	-2.00%
Lead	187.8	-3.32%	2221.50	-2.18%
WTI Crude Oil	6363	-2.06%	77.10	-0.86%
US Nat Gas	240.4	0.71%	2.90	1.79%

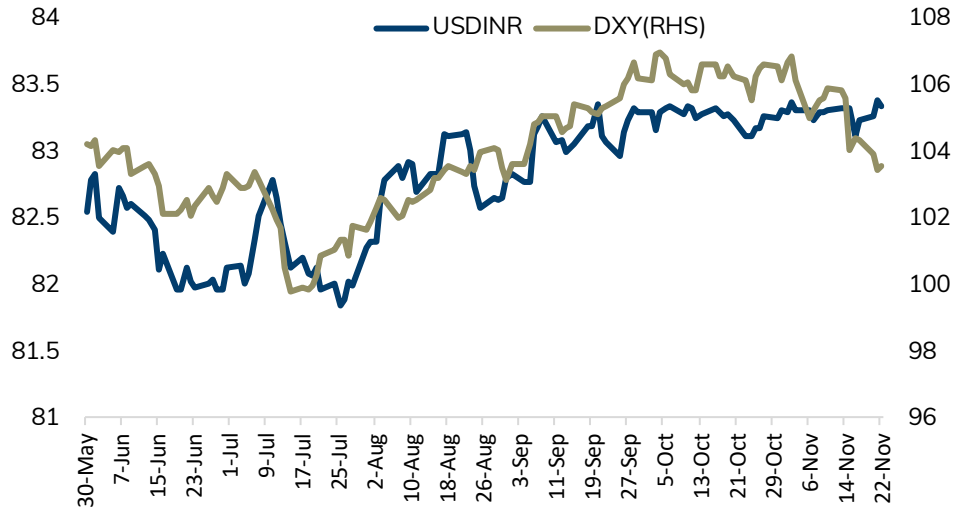
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Oct)	83.34	-0.01%	4449265	-180148	1891803	557541
EURINR (27th oct)	90.86	-0.37%	133888	-18379	155842	-343
GBPINR (27th Oct)	104.41	0.00%	162468	-19600	194404	-26884

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	November	Buy	715-715.50	721	712	Stoploss Triggered
GBPINR	November	Buy	04.38-104.40	104.80	104.20	Stoploss Triggered

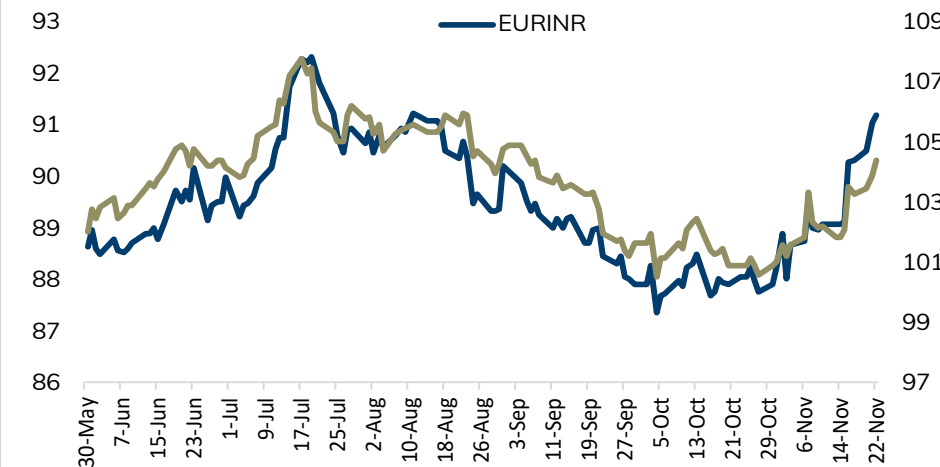
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee recovered yesterday amid IPO-related inflows and as dollar hovered near to its lowest level in nearly 3-months. However, persistent local demand for dollar weighed on domestic currency. Additionally, investors remained cautious ahead of major economic data from US
- Rupee is likely to appreciate today amid optimistic domestic market sentiments and softening of crude oil prices. However, sharp gains may be capped as fresh economic data from US made investors to dial back expectations of Fed rate cuts in first half of 2024. A survey from the University of Michigan showed consumers this month anticipate higher inflation both in the near and long term. USDINR may slip to 83.20 level as long as its stays below 83.45 levels

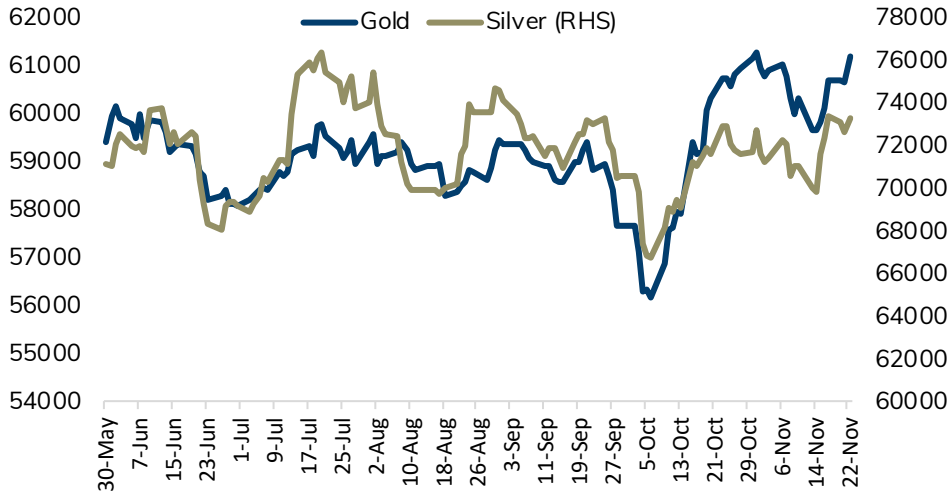
EURINR vs. GBPINR



Euro and Pound Outlook

- Euro slipped by 0.21% yesterday amid strength in dollar after better than expected economic data from US. Further, dovish comments from ECB Vice President Guindos weighed on single pair. For today, EURUSD is likely to hold the support near 1.0850 and rise back towards 1.0950 level amid expectation of improved economic data from euro zone. Meanwhile, sharp upside may be capped as Bundesbank President Nagel said we are close to the level seen as terminal rate, and ECB interest rates will stay where they are for a while. EURINR may rally back towards 91.20 as long as it trades above 90.70 levels
- Pound is likely to move north towards 1.2550 level amid surge in UK bond yields. Yields on gilts rose after Hunt's statement, as investors reacted to a much smaller cut than expected to gilt issuance plans. Meanwhile, trading volume is expected to remain thin due to holidays in Japan and the US. GBPINR is likely to move higher towards 104.60 level as long as it stays above 104.10

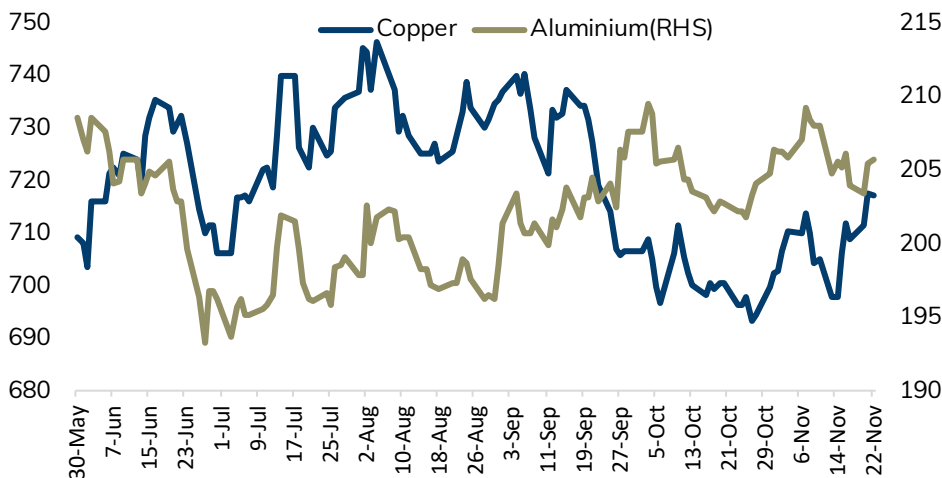
MCX Gold vs. Silver



Bullion Outlook

- Gold is expected to move in a sideways trend amid US bank holiday. It is expected to find support near \$1980 and move towards the key resistance at \$2010 on increasing expectation of Fed pause in its rate hike cycle. The CME Fed Watch toll indicates nearly 5% probability of rate hike in Dec and Jan meeting and more than 40% probability of rate cut in May 2024.
- MCX gold is expected to consolidate in the band of 60740-61400 with a bias on the bullish side. Only close below 70740 would open the doors towards 60400.
- MCX Silver is likely to follow the yellow metal and move in the range of 72000-73500.

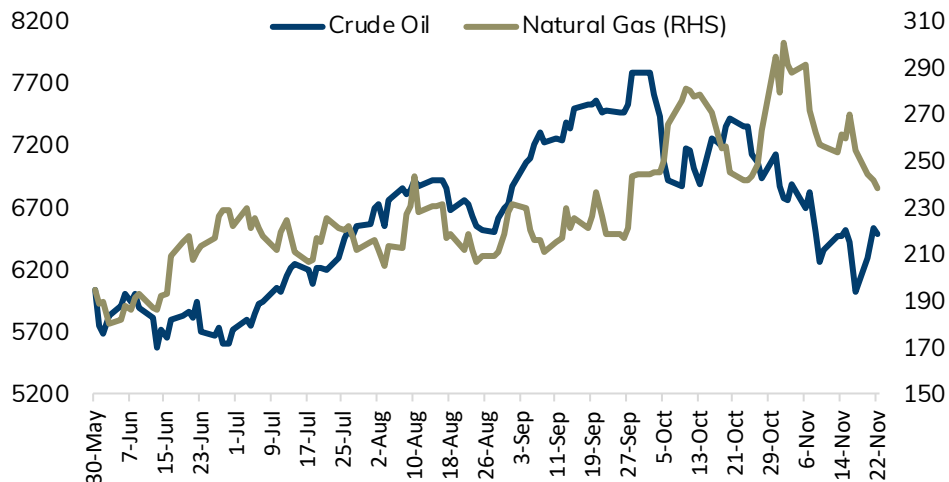
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to weaken further amid sluggish growth numbers in China. However, renewed supply risks and hopes of more stimulus from China would limit the downside in the metal. Further, strong demand from the renewable energy sector could also protect its downside.
- MCX Copper is expected to fall towards 708, as long as it trades below 716 level.
- MCX Aluminium is expected to fall towards 202. A move below 202, would weaken further towards 200. On the upside 205 would act as immediate hurdle.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil prices are expected face the hurdle near the \$78 mark and weaken further towards \$74 amid higher crude oil inventories and disagreement among OPEC+ members. Producers are struggling to agree on output levels and hence postponed the meeting date to 30th of November. Today, participation is expected to remain muted due to the Thanksgiving holiday in the US
- MCX Crude oil is likely to face the hurdle near 6450 and weaken towards 6200. Below 6200 it would slide further towards 6100.
- MCX Natural gas December futures may move inside the range of 247-257.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	60683	60853	61110	61280	61537
Silver	72004	72415	73003	73414	74002
Copper	708.0	710.4	713.5	715.9	719.0
Aluminium	201.8	202.5	203.8	204.5	205.8
Zinc	221.5	222.5	223.7	224.7	225.9
Lead	185.9	186.8	188.3	189.2	190.7
Crude Oil	6010	6187	6346	6523	6682
Nat Gas	232	236	240	244	247

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Nov)	83.24	83.29	83.32	83.38	83.41
US\$INR (Dec)	83.30	83.35	83.38	83.43	83.46
EURINR (Nov)	90.54	90.70	90.84	91.00	91.15
EURINR (Dec)	90.70	90.85	90.99	91.14	91.28
GBPINR (Nov)	104.10	104.25	104.35	104.50	104.60
GBPINR (Dec)	104.18	104.32	104.41	104.54	104.63
JPYINR (Nov)	55.53	55.79	56.06	56.32	56.58
JPYINR (Dec)	55.93	56.16	56.41	56.64	56.89

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	103.92	103.57	0.34%
US\$INR	83.32	83.36	-0.04%
EURUSD	1.0888	1.0911	-0.21%
EURINR	90.85	91.23	-0.41%
GBPUSD	1.2494	1.2539	-0.36%
GBPINR	104.39	104.45	-0.06%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.245	7.271	-0.026
US	4.404	4.393	0.0116
Germany	2.560	2.566	-0.006
UK	4.155	4.105	0.05
Japan	0.725	0.703	0.022

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
11/22/2023	8:00 PM	8.7M	0.9M
11/15/2023	8:00 PM	3.6M	2.5M
11/1/2023	8:00 PM	0.8M	1.5M
10/25/2023	8:00 PM	1.4M	-0.5M
10/18/2023	8:00 PM	-4.5M	-0.5M
10/12/2023	8:00 PM	10.2M	-0.4M
10/4/2023	8:00 PM	-2.2M	-0.1M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	179050	25	0.01%
Aluminium	479650	2775	0.58%
Zinc	210850	68100	47.71%
Lead	135925	0	0.00%
Nickel	44592	450	1.02%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, November 20, 2023						
6:45 AM	China	1-Y Loan Prime Rate	3.45%	3.45%	3.45%	High
6:45 AM	China	5-Y Loan Prime Rate	4.20%	4.20%	4.20%	High
Tuesday, November 21, 2023						
8:30 PM	US	Existing Home Sales	3.79M	3.90M	3.96M	Medium
Wednesday, November 22, 2023						
12:30 AM	US	FOMC Meeting Minutes	-	-	-	High
7:00 AM	US	Unemployment Claims	209K	226K	231k	High
7:00 AM	US	Durable Goods Orders m/m	-5.4%	-3.2%	4.7%	Medium
8:30 PM	US	Revised UoM Consumer Sentiment	61.30	61.10	60.40	Medium
9:00 PM	US	Crude Oil Inventories	8.7M	0.9M	3.6M	Medium
Thursday, November 23, 2023						
1:45 PM	Europe	French Flash Manufacturing PMI	-	43.2	42.8	High
2:00 PM	Europe	German Flash Manufacturing PMI	-	41.1	40.8	High
2:30 PM	Europe	Flash Manufacturing PMI	-	43.3	43.1	Medium
2:30 PM	Europe	Flash Services PMI	-	48.0	47.8	Medium
3:00 PM	UK	Flash Manufacturing PMI	-	45	44.8	High
3:00 PM	UK	Flash Services PMI	-	49.5	49.5	High
Friday, November 24, 2023						
2:30 PM	Europe	German Final GDP q/q	-	-0.10%	-0.10%	Medium
3:30 PM	Europe	German ifo Business Climate	-	87.5	86.9	Medium
8:15 PM	US	Flash Manufacturing PMI	-	49.9	50	High
8:15 PM	US	Flash Services PMI	-	50.4	50.6	High

Source: Bloomberg, Reuters, ICICI Direct Research



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