

November 24, 2023

Daily Currency & Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	December	Sell	6430-6450	6300	6510	Intraday
GBP/INR	November	Buy	104.28-104.30	104.70	104.10	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

- Gold prices edged higher in a thin trading holiday on Thursday amid softness in the US dollar. Spot gold steadied near the \$2000 mark as most of the traders remained silent with uncertainty around the Federal reserve's rate path
- The dollar remained under pressure after recovering from its 2 month lows amid increasing prospects of Fed pause in its rate hike cycle. The CME Fed watch tool suggests almost zero probability of rate hike in December, where as rate hike in January 2024 stood at 7%.
- Crude oil futures fell more than 1% on Thursday after the postponement of the OPEC+ meeting amid prospects of disagreement on production levels. OPEC+ delayed the meeting to the end of the month as disputes arose over quotas for African members including Angola. Further fading war risk premium in the Middle East also weighed on the oil prices. Moreover, contraction in the manufacturing activity in the Euro zone also restricted the upside in the oil prices.
- Copper futures settled higher on Thursday amid softness in the dollar and increasing efforts from China to stabilize the property market. Further, tightness in the physical market in China due to increasing demand from the renewable energy sector also supported the metals to regain its strength.
- NYMEX Natural gas futures edged higher in a thin trade despite higher inventories in the US.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	61072	0.08%	1992.25	0.10%
Silver	72898	0.10%	23.68	0.20%
Copper	721.3	0.14%	8409.50	0.67%
Aluminium	205.2	-0.07%	2224.50	0.27%
Zinc	227.2	0.89%	2537.50	1.70%
Lead	189.5	-0.13%	2214.00	-0.34%
WTI Crude Oil	6374	0.17%	77.10	-0.86%
US Nat Gas	242.0	0.67%	2.90	1.79%

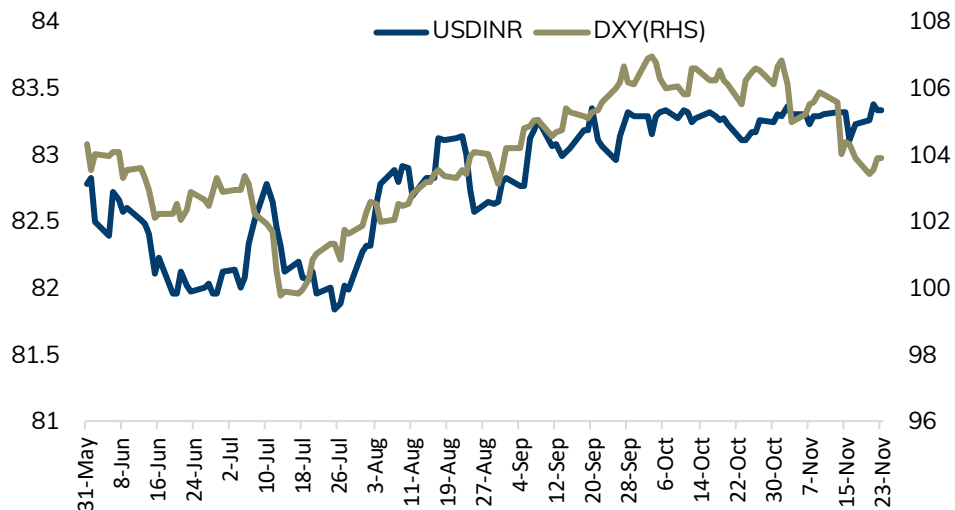
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Oct)	83.35	0.01%	4060673	-388592	1663017	-228786
EURINR (27th oct)	90.97	0.12%	131528	-2360	105349	-50493
GBPINR (27th Oct)	104.57	0.16%	132646	-29822	261772	67368

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Crude Oil	December	Sell	6400-6410	6200	6480	Profit Booked
USDINR	November	Sell	83.34-83.35	83.20	83.45	Exit at Cost

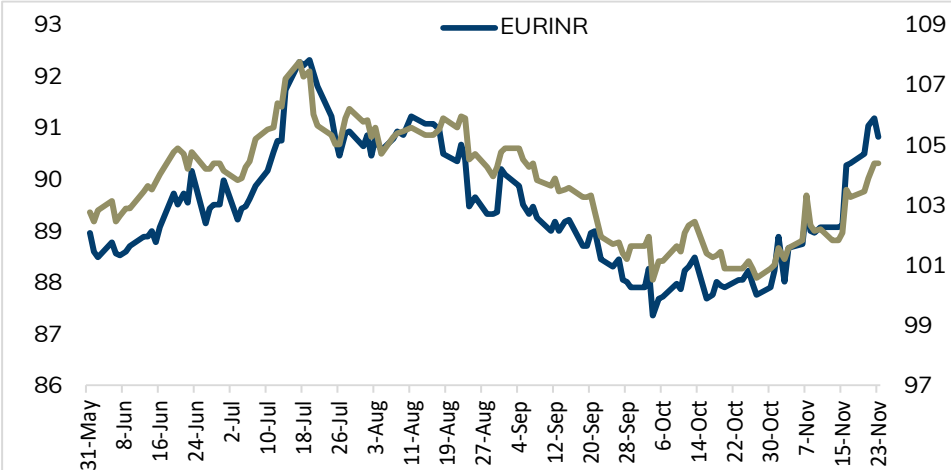
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee depreciated yesterday amid demand for dollar from local corporates and large foreign banks. Rupee in the early trading session had gained some strength due to weakness in dollar and softening of crude oil prices but it was short lived
- Rupee is likely to appreciate today amid soft dollar and decline in crude oil prices. Dollar is showing weakness on anticipation that US Fed is done with hiking interest rate and is getting ready to pivot to rate cuts in 2024. Additionally, US Manufacturing PMI data is likely to show that activity in sector contracted, which would further weigh on dollar. Meanwhile, sharp gains may be prevented on pessimistic domestic market sentiments and FII outflows. USDINR may slip to 83.25 level as long as its stays below 83.45 levels

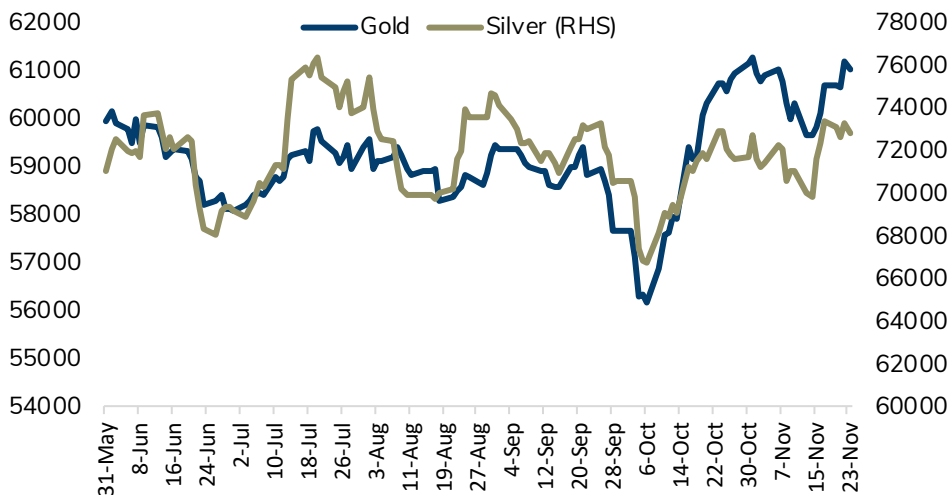
EURINR vs. GBPINR



Euro and Pound Outlook

- Euro moved up by 0.13% yesterday amid weak dollar and better than expected economic data from euro zone. Data signaled that downturn in euro zone economy may be starting to ease. For today, EURUSD is likely to rise back towards 1.0950 level as long as it stays above 1.0870 levels amid soft dollar and forecast of upbeat economic data from euro zone. Meanwhile, investors will remain cautious ahead of speeches from ECB officials to get more clarity on interest rate outlook. EURINR may rally back towards 91.20 as long as it trades above 90.70 levels
- Pound is likely to move further north towards 1.2600 level amid soft dollar and surge in UK bond yields. Further, sterling may go higher as data showed British companies returned to growth in November, fueling hopes Britain will avoid a recession. GBPINR is likely to move higher towards 104.70 level as long as it stays above 104.10

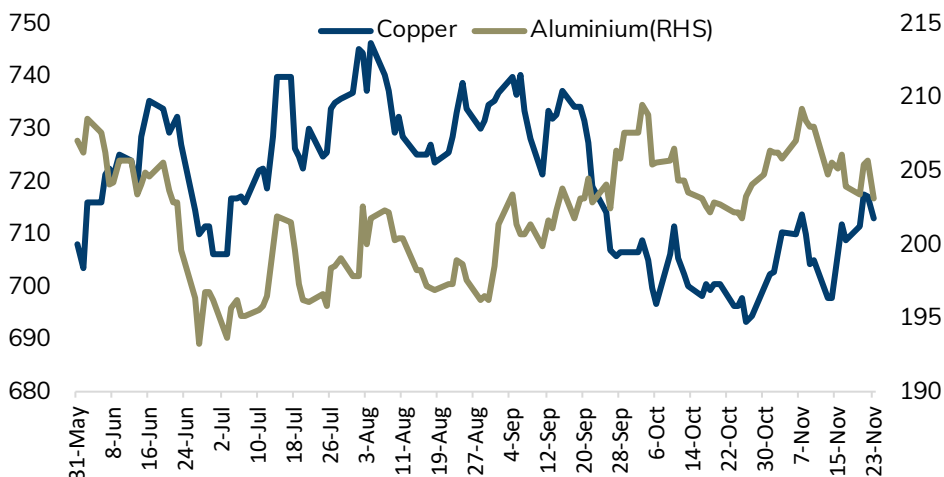
MCX Gold vs. Silver



Bullion Outlook

- Gold is expected to hold its ground and move towards \$2010, as long as it holds above the \$1980 mark. The softer dollar and forecast of weaker economic numbers from US could provide necessary strength to the precious metal to trade with positive bias. Further, increasing hopes of pause in the interest rate hike cycle would also support the bullions. The CME Fed Watch toll indicates nearly 0% probability of rate hike in Dec and Jan meeting and more than 44% probability of rate cut in May 2024.
- MCX gold is expected to find support near 60740 and move higher towards 61400. Only close below 60740 would open the downside towards 60400.
- MCX Silver is likely to find the support near 72000 and move higher towards 73500.

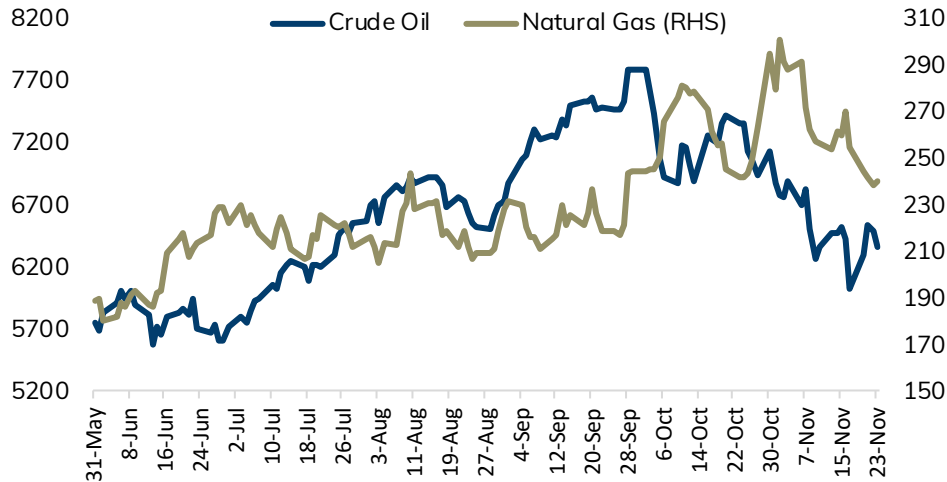
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with a positive bias amid softness in the dollar and hopes of fresh round of stimulus from China to stabilise its property market. Again, supply concerns due to protest at Panama port would also help the metal to trade with a positive bias. Meanwhile, traders will focus on US manufacturing numbers today.
- MCX Copper December is likely to find support near 718 and move higher towards 726. Only close below 718, it would weaken towards 714.
- MCX Aluminium December is expected to hold the support near 203 and move back towards 207.

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 expectation that the OPEC+ might not deepen output cuts next year after the disagreement among the members. Further sign of abundant supply from the Non-OPEC nations and lacklustre demand from Europe could hamper the demand outlook.
- MCX Crude oil is likely to face the resistance near 6510 and weaken towards 6300. Below 6300 it would slide further towards 6200.
- MCX Natural gas December futures is expected to move inside the range of 250-262. Only a move above 262 would open the doors towards 270.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	60913	60993	61088	61168	61263
Silver	72499	72699	72934	73134	73369
Copper	718.1	719.7	721.6	723.2	725.1
Aluminium	204.0	204.6	205.4	206.0	206.8
Zinc	224.0	225.6	226.7	228.2	229.3
Lead	188.6	189.0	189.7	190.1	190.8
Crude Oil	6235	6305	6356	6426	6477
Nat Gas	236	239	241	244	247

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Nov)	83.27	83.31	83.34	83.38	83.41
US\$INR (Dec)	83.34	83.38	83.40	83.44	83.46
EURINR (Nov)	90.67	90.82	90.94	91.09	91.20
EURINR (Dec)	90.83	90.97	91.09	91.23	91.34
GBPINR (Nov)	103.88	104.22	104.46	104.81	105.05
GBPINR (Dec)	103.94	104.29	104.52	104.87	105.09
JPYINR (Nov)	55.71	55.81	55.92	56.02	56.13
JPYINR (Dec)	56.00	56.11	56.24	56.35	56.48

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	103.92	103.92	0.00%
US\$INR	83.34	83.32	0.02%
EURUSD	1.0905	1.0888	0.16%
EURINR	91.03	90.85	0.20%
GBPUSD	1.2534	1.2494	0.32%
GBPINR	104.66	104.39	0.26%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.255	7.245	0.01
US	4.404	4.404	0
Germany	2.619	2.560	0.059
UK	4.257	4.155	0.102
Japan	0.725	0.725	0

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	178500	-550	-0.31%
Aluminium	476300	-3350	-0.70%
Zinc	211750	900	0.43%
Lead	136525	600	0.44%
Nickel	44586	-6	-0.01%

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	42.6	43.2	42.8	High
2:00 PM	Europe	German Flash Manufacturing PMI	42.3	41.1	40.8	High
2:30 PM	Europe	Flash Manufacturing PMI	43.8	43.3	43.1	Medium
2:30 PM	Europe	Flash Services PMI	48.2	48.0	47.8	Medium
3:00 PM	UK	Flash Manufacturing PMI	46.7	45	44.8	High
3:00 PM	UK	Flash Services PMI	50.5	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



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

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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: headsservicequality@icicidirect.com Contact Number: 18601231122

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