

April 4, 2024

# Daily Currency & Commodities Outlook

Daily Recommendations						
Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Natural Gas	April	Buy	152.50-153	161	148	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 extended its 7-day rally and made a fresh record high pushing past \$2300 levels for the first time yesterday amid retreat in US treasury yield and weakness in dollar. Further, demand for safe haven increased as risk of further escalation in conflict in the Middle East rose after Iran vowed to take revenge on Israel for an airstrike at its embassy compound in Damascus. Gold prices have rallied over 11% so far this year due to safe heaven buying amid political and economic uncertainty and central bank buying
- Dollar index slipped by 0.5% yesterday after dovish statement from Fed Chair Powell. He said it would be appropriate for the central bank to start cutting rates at some point this year. Additionally, dollar retreated as US ISM services index unexpectedly declined in March accompanied by a decline in input prices to a 4-year low. Meanwhile, ADP employment report exceeded expectations with private business adding 184,000 jobs
- US ISM services index unexpectedly fell -1.2 to 51.4 in March, weaker than expectations of an increase to 52.8
- US Treasury yields retreated from its multi-months high after Fed Chair Powell dovish remarks and as data showed US services industry growth slowed further in March. On top of it, measure of prices paid by businesses for inputs declined to a 4-year low, signaling easing inflation pressure. Yield on benchmark US 10-year treasury note slipped to 4.34% and 2-year treasury yield, which typically moves in step with interest rate expectations edged lower to 4.67%
- Crude oil prices ended on the positive note gaining 0.25% yesterday and settled at their highest levels since October on fears about supply disruption due to escalating tension in Middle East. Meanwhile, US crude stocks increased by 3.2 million barrels in the week to 29<sup>th</sup> March
- Copper prices rallied to their highest in over 13 months amid weakness in dollar and improved demand prospects from top consumer China

## Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	69799	1.26%	2300.00	0.85%
Silver	79011	2.56%	27.18	3.98%
Copper	790.7	2.78%	9262.50	3.02%
Aluminium	218.8	2.87%	2429.00	2.06%
Zinc	224.9	2.16%	2548.00	2.76%
Lead	180.2	1.32%	2082.00	3.04%
WTI Crude Oil	7162	1.20%	85.43	0.33%
US Nat Gas	155.3	-0.83%	1.84	-1.13%

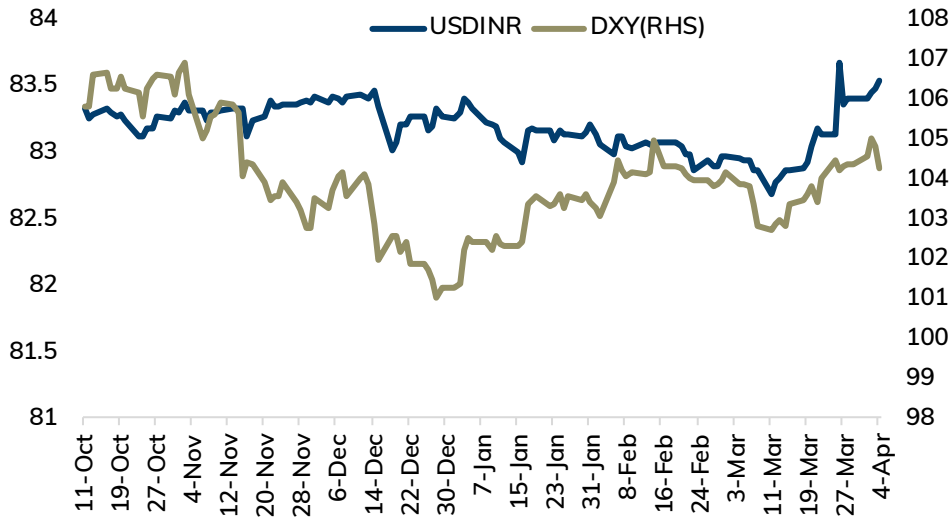
## Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (26th Apr)	83.54	0.08%	3142470	-483463	2978018	540905
EURINR (26th Apr)	90.23	0.47%	64551	-40179	114191	-61817
GBPINR (26th Apr)	105.27	0.32%	114590	-57398	130433	-92105

## Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Copper	April	Buy	767.50-768	776	763	Not Initiated

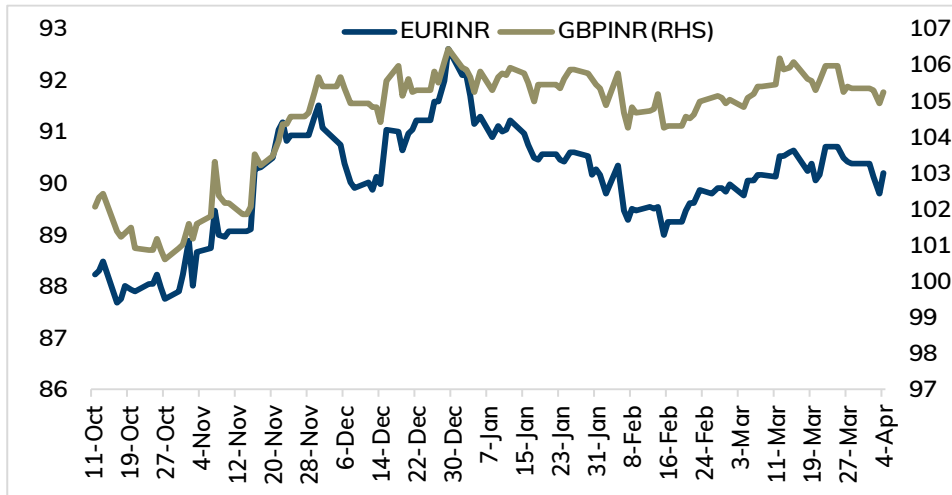
## Dollar Index vs. US\$INR



## Rupee Outlook

- Rupee closed at record low on Wednesday amid strong dollar demand from importers and weakness in Asian peers. The strength in the dollar and higher crude oil prices weighed on the rupee to settle near 83.45.
- Rupee is expected to appreciate back towards 83.35 amid correction in the dollar. Dovish comments from the Fed Chair Powell would likely to weigh on the dollar. Further, mixed US economic numbers could also check the upside in the dollar. Moreover, higher forex reserves and improved risk sentiments would help the rupee to limit its downside beyond 83.50 and move towards 83.35. So we expect rupee to move in a very tight range of 83.35-83.55. Only a move below 83.35 it would slide towards 83.20.

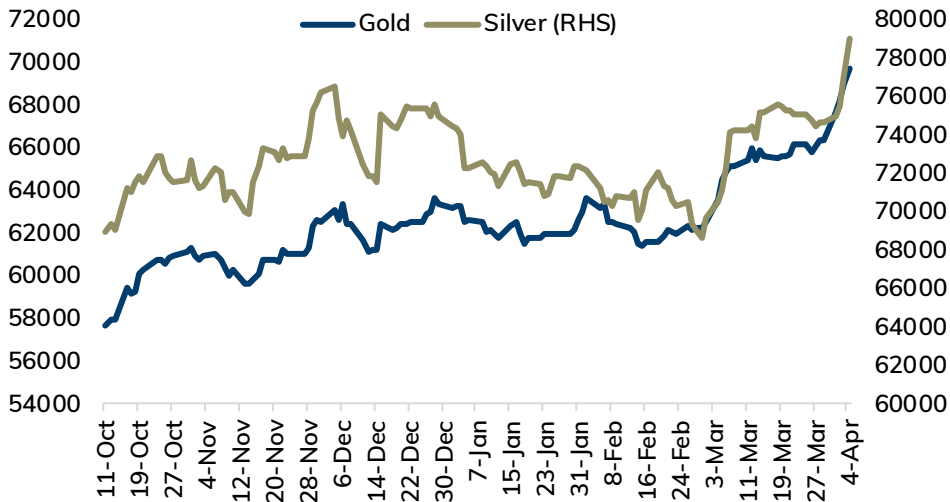
## EURINR vs. GBPINR



## Euro and Pound Outlook

- Euro rose more than 0.50% yesterday amid weakness in the dollar and improved Eurozone unemployment data. Unemployment rate remained at a record low in February. Meanwhile, easing price pressure in Eurozone as the inflation rose less than expected has checked the upside in the pair. EURUSD is expected to hold support near 1.080 and move higher towards 1.0865 on expectation of improved service PMI numbers. EURINR April is likely to find support near 90.00 and move towards 90.80.
- Pound gained more than 0.50% amid correction in the dollar. The pair is expected to hold support near 1.26 and rebound towards 1.27 amid improved risk sentiments and rise in service PMI numbers. GBPINR April is likely move towards 105.90 as long as it holds support of 105.00. Only a move below 105.00 it would slip towards 104.80 level.

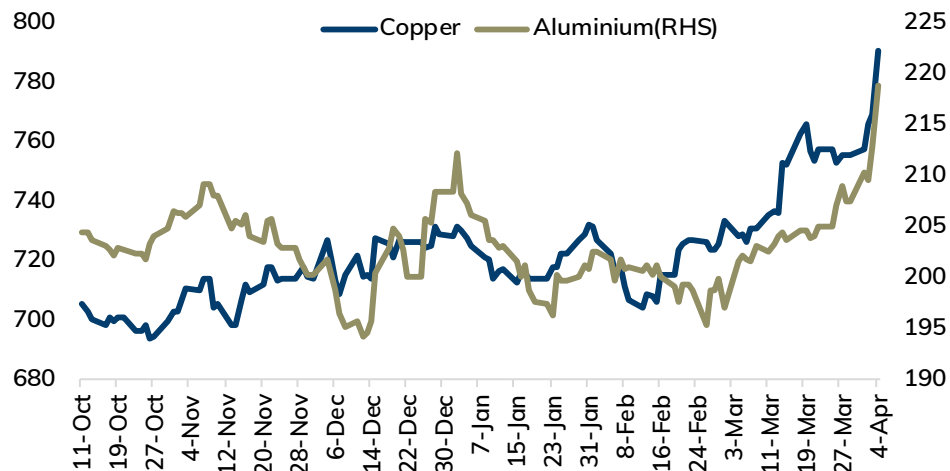
## MCX Gold vs. Silver



## Bullion Outlook

- Spot gold is likely to rise further towards \$2315 hitting another record high as long as it holds support near \$2280 level amid weakness in dollar and retreat in US treasury yields from multi-month highs. Dollar and Yields are moving south on renewed expectation of rate cut in June after soft Services PMI data. Further, policymakers signaled that it would be reasonable to cut interest rate 3 time this year. Moreover, escalating geopolitical tensions in Middle East and Ukraine will keep bullion's safe haven demand intact. Additionally, expectation of disappointing economic data from US would aid gold prices
- MCX Gold June prices is likely to rise further towards 70,000 level as long as it sustains above 69,200 level. On Flip side, only close below 69,200 would change the course of direction pushing prices towards 68,500 level
- MCX Silver May is expected to follow gold and rise further towards 79,500 level as long as it sustains above 78,200 level.

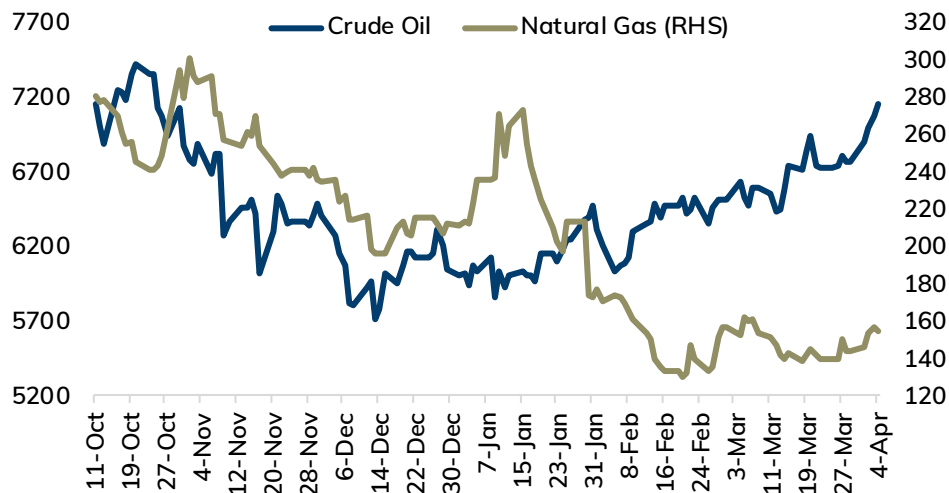
## MCX Copper vs. Aluminium



## Base Metal Outlook

- Copper prices expected to continue with its upward movement amid weakness in dollar and optimistic global market sentiments. Further, prices may rally on bullish demand outlook from China and supply worries. Additionally, prices may rally as recent batch of economic data from developed nations reinforced hopes that central banks will soon pivot to looser monetary policy. Meanwhile, Chinese markets will remain closed on Thursday and Friday for a holiday
- MCX Copper is expected to move further north towards 798 level as long as it stays above 785 level. A break above 798 would open doors for 805 levels
- Aluminum is expected to rise towards 220 level as long as it remains above 217 level

## MCX Crude Oil vs. Natural Gas



## Energy Outlook

- NYMEX Crude oil is expected to rise further towards \$86.50 levels as long as it holds the support near \$84.50 levels amid weakness in the dollar and a rise in risk appetite in the global markets. Further, prices may move up on concerns of lower supply as major producers are keeping output cuts in place. OPEC+ in its recent meeting kept oil supply policy unchanged but pressed some countries to boost compliance with output cuts. Moreover, mounting tension in the Middle East and Eastern Europe has raised fears over supply disruption.
- MCX Crude oil is likely to rise towards 7250 levels as long as it trades above 7000 levels. A sustained break above 7250 level would open doors for 7330 levels.
- MCX Natural Gas April is expected to rise back towards its 50-day EMA of 161 levels as long as it stays above its 20-day EMA around 148 levels ahead of EIA's weekly natural gas inventories report.

## Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	68684	69241	69580	70137	70476
Silver	76458	77734	78466	79742	80474
Copper	761.9	776.3	783.9	798.2	805.8
Aluminium	210.1	214.4	216.7	221.0	223.3
Zinc	216.0	220.4	222.9	227.4	229.9
Lead	176.2	178.2	179.4	181.4	182.7
Crude Oil	7028	7095	7143	7210	7258
Nat Gas	151	153	157	159	162

## Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Apr)	83.32	83.43	83.51	83.62	83.70
US\$INR (May)	83.41	83.52	83.61	83.72	83.81
EURINR (Apr)	89.68	89.95	90.13	90.40	90.58
EURINR (May)	89.93	90.10	90.20	90.37	90.46
GBPINR (Apr)	104.69	104.98	105.15	105.44	105.60
GBPINR (May)	104.86	104.98	105.10	105.23	105.34
JPYINR (Apr)	54.95	55.22	55.50	55.77	56.05
JPYINR (May)	55.60	55.68	55.78	55.85	55.95

# Key Parameters

## Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	104.55	104.35	0.19%
US\$INR	83.41	83.38	0.03%
EURUSD	1.0789	1.0828	-0.36%
EURINR	89.87	90.28	-0.45%
GBPUSD	1.2624	1.2640	-0.13%
GBPINR	105.03	105.28	-0.24%

## 10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.056	7.069	-0.013
US	4.200	4.190	0.01
Germany	2.298	2.292	0.006
UK	3.933	3.932	0.001
Japan	0.711	0.725	-0.014

## US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
03-04-2024	8:00 PM	3.2M	-0.3M
27-03-2024	8:00 PM	3.2M	-0.7M
20-03-2024	8:00 PM	-2.0M.	-0.9M
13-03-2024	8:00 PM	-1.5M	0.9M
06-03-2024	9:00 PM	1.4M	2.4M
28-02-2024	9:00 PM	4.2M	3.1M
22-02-2024	9:30 PM	3.5M	3.9M

## LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	112975	1050	0.94%
Aluminium	541350	-10050	-1.82%
Zinc	264200	-6325	-2.34%
Lead	275925	2500	0.91%
Nickel	77604	-168	-0.22%

# Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, April 01, 2024						
7:30 PM	US	ISM Manufacturing PMI	50.3	48.5k	47.8k	High
Tuesday, April 2, 2024						
All Day	Europe	German Prelim CPI m/m		0.40%	0.40%	High
1:30 PM	Europe	Final Manufacturing PMI	46.1	45.70	45.70	Medium
2:00 PM	UK	Final Manufacturing PMI	50.3	49.90	49.90	Medium
7:30 PM	US	JOLTS Job Openings	8.76M	8.79M	8.86M	High
9:30 PM	US	FOMC Member Mester Speaks	-	-	-	Medium
Wednesday, April 3, 2024						
2:30 PM	Europe	CPI Flash Estimate y/y	2.40%	2.50%	2.60%	Medium
2:45 PM		OPEC-JMMC Meetings		-	-	Medium
5:45 PM	US	ADP Non-Farm Employment Change	184k	149k	140k	High
7:30 PM	US	ISM Services PMI	51.7	52.70	52.60	High
8:00 PM	US	Crude oil Inventories	3.2M		(-2.0)M	Medium
9:20 PM	US	Fed Chair Powell Speaks				High
Thursday, April 4, 2024						
1:30 PM	Europe	Final Services PMI		51.1	51.1	Medium
2:00 PM	UK	Final Services PMI		53.4	53.4	Medium
6:00 PM	US	Unemployment Claims		214k	210k	High
Friday, April 5, 2024						
10:00 AM	India	RBI Interest rate decision		6.50%	6.50%	High
6:00 PM	US	Average Hourly Earnings m/m		0.30%	0.10%	High
6:00 PM	US	Non-Farm Employment Change		205k	275k	High
6:00 PM	US	Unemployment Rate		3.90%	3.90%	High



---

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

---



# Disclaimer



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](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.

# Disclaimer

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.