

November 13, 2023

Daily Currency & Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	December	Buy	59690-59700	60000	59500	Intraday
Eurintr	November	Buy	89.00-89.02	89.40	88.80	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 prices declined by almost 1% on Friday amid rise in US treasury yield across curve. Meanwhile, further downside was cushioned as US consumer sentiment fell for a fourth straight month in November
- The University of Michigan's preliminary reading of its Consumer Sentiment Index dropped to 60.4, the lowest level since May, from October's final reading of 63.8
- As per CME Fedwatch tool expectations for Fed to keep rate steady at the next meeting decline to 85.9% from 90.9% a day ago while, prospects of rate hike by 25bps increased to 14.1% from 9.1% a day ago
- Yield on benchmark US 10-year treasury note rallied to 4.652% and 2-year treasury yield, which typically moves in step with interest rate expectations edged up to 5.067%. Yields climbed after University of Michigan's survey of consumer sentiment showed the outlook for inflation in the year ahead rose in November for a 2nd consecutive month to a 7-month high of 4.4%
- Crude oil prices edged higher on Friday amid soft dollar and as Iraq expressed backing for OPEC+'s oil cuts ahead of a meeting. Further, energy services firm Baker Hughes said energy firms in US cut the number of oil rigs operating for a 2nd consecutive week to the lowest since January 2022
- Copper prices slipped on Friday amid hawkish comments from Fed chair Powell and rise in stockpiles at LME registered warehouses. Fed officials including Powell expressed uncertainty in their battle against inflation and said they would tighten policy further if need be

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	59659	-1.11%	1940.20	-0.94%
Silver	70025	-1.44%	22.27	-1.64%
Copper	697.8	-1.02%	8035.50	-1.37%
Aluminium	204.8	-1.51%	2215.00	-1.23%
Zinc	227.2	-0.66%	2562.00	-1.56%
Lead	186.7	-0.05%	2180.00	-0.46%
WTI Crude Oil	6470	1.54%	77.17	1.89%
US Nat Gas	254.3	-0.86%	3.03	-0.26%

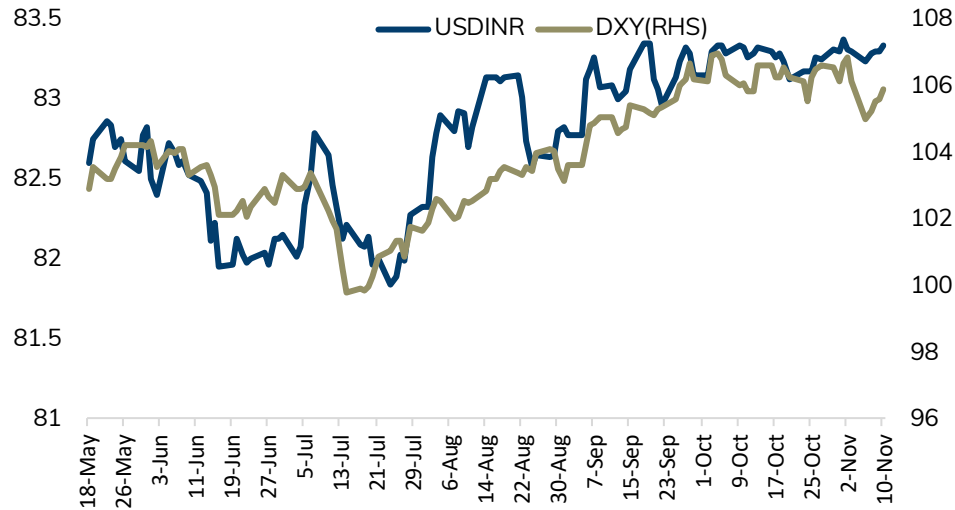
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Oct)	83.33	0.03%	5627963	-101119	4310138	3261541
EURINR (27th Oct)	89.09	0.01%	118704	2294	157278	14256
GBPINR (27th Oct)	101.85	-0.35%	162368	5252	224582	20897

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Natural Gas	November	Sell	260-261	252	265	Not Initiated
GBPINR	November	Sell	102-102.02	101.60	102.20	Profit Booked

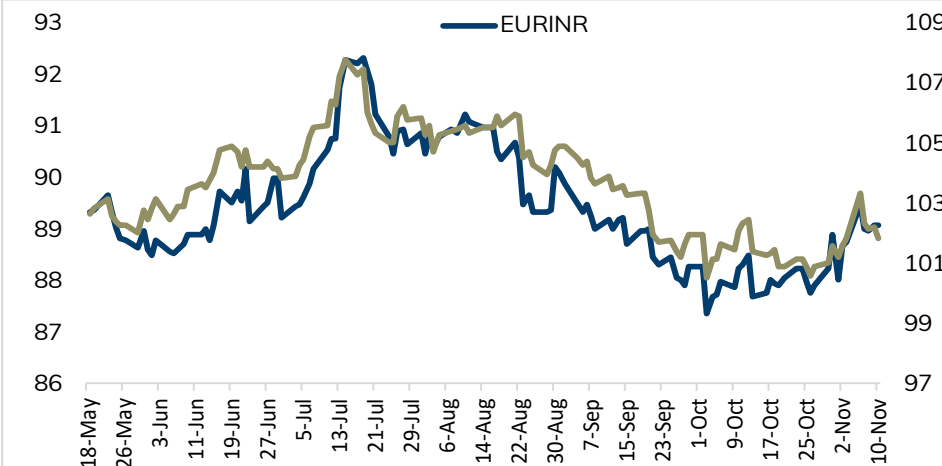
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee depreciated to its lowest level on Friday amid rebound in in US dollar and sustained capital outflows from the domestic markets. But the likely intervention from RBI checked its downside and closed at 83.34 after testing 83.47.
- Rupee is expected to appreciate amid correction in the dollar. The weaker consumer sentiments numbers in US would hurt the probability of further rate hike. Meanwhile, investor will eye on key inflation numbers from India and US this week. USDINR is likely to consolidate in between 83.20-83.45. Only a move above 83.45 it would open the doors towards 83.60. Similarly below 83.20 it would weaken towards 83.00

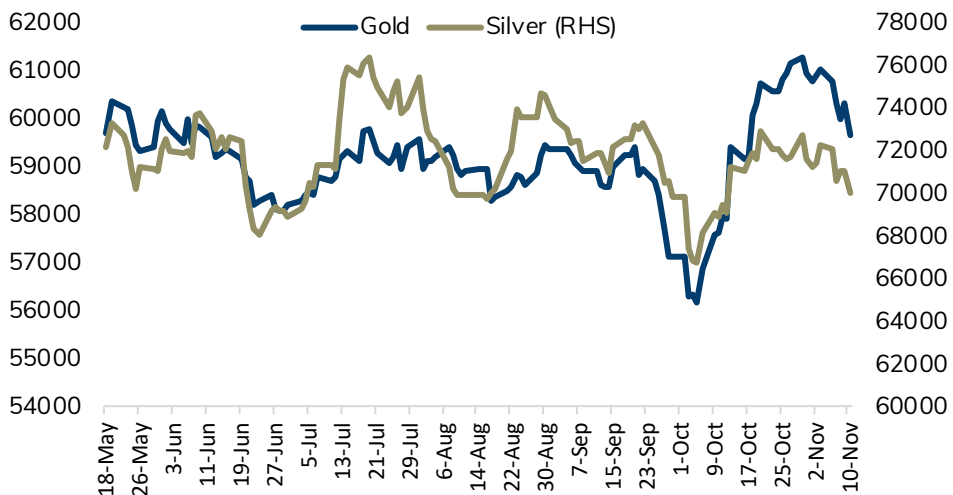
EURINR vs. GBPINR



Euro and Pound Outlook

- The Euro edged higher on Friday amid strength in the German bund yields. But the upside in the pair was limited by the dovish comments from the ECB President Lagarde after she suggests pause in the rates. The pair is likely to find support near 1.060 and move higher towards 1.0720 amid softness in the dollar. EURINR is likely to move towards 89.50 as long as remained above 88.80.
- Pound edged higher on Friday after better than expected economic numbers in UK. The UK GDP rose to 0.2% against previous record of 0.1%. The pair is expected to rise towards 1.2280 as long as it holds above 1.2180. GBPINR is expected to hold 101.50 and move higher towards 102.30. Only close below 101.50 it would weaken towards 101.00.

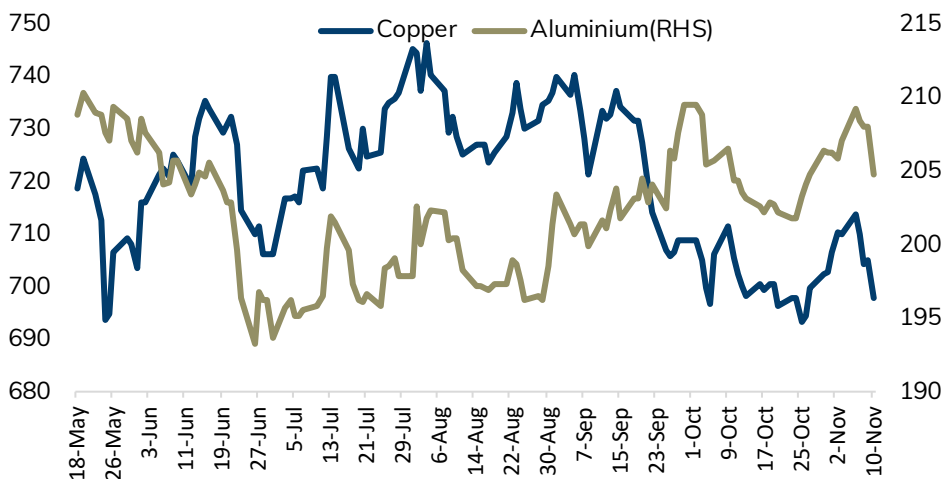
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to hold the support near \$1930 level and rise back towards \$1945 amid expectation of correction in dollar as market is pricing in almost no chance of rate hikes in upcoming meeting and strong central bank gold purchases. Further, Credit rating agency Moody's lowered US rating outlook from stable to negative, citing increasing fiscal deficits and political standoffs in Washington. Additionally, demand for safe haven may increase on escalating tension in Middle East.
- MCX Gold prices is likely to move north towards 60,050 level as long as it trades above the support level of 59,550 levels
- MCX Silver is expected to rise back towards 70,700 level as long as it sustains above 69,700 level.

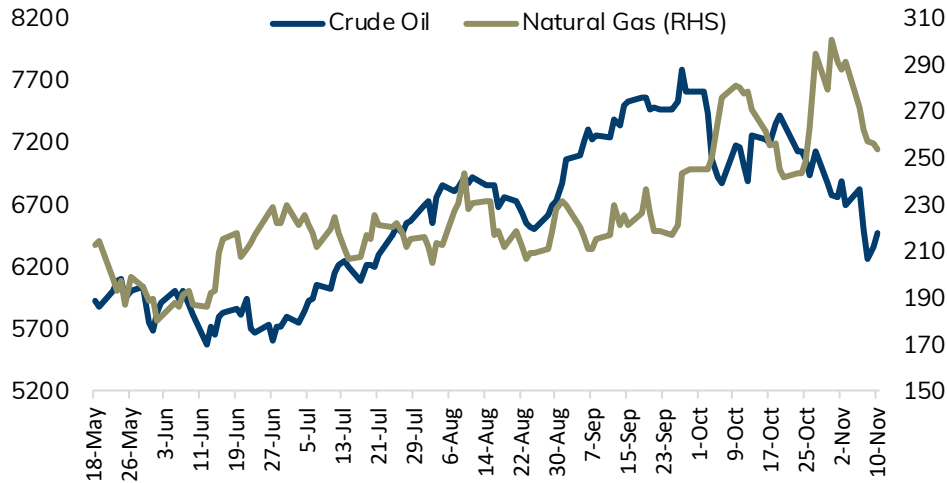
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade with negative bias amid strong dollar, concerns about demand in China and fragile global market sentiments. Further, prices may slip on fears that higher interest rates for prolonged time would hurt global economic growth and dent demand for industrial metal. Additionally, investors will focus on the release of China's October aggregate financing data, including total social financing.
- MCX Copper is likely to dive towards 690 level, as long as it stays below 703 level. A move below 690 would open the doors towards 685 levels.
- MCX aluminium is expected to slip further towards 203.50 level as long as it stays below 205.50 level

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to rise further towards \$78.00 as long as it trades above \$75.50 on fears over supply disruption due to rising conflict in Middle east. Further, Iraq voiced support for OPEC+'s oil cuts ahead of a meeting scheduled on 26th of this month. Additionally, market participants speculate that Saudi Arabia may extend its voluntary output cut into first quarter of 2024. Meanwhile, sharp upside may be capped amid concerns over waning demand in the US and China
- MCX Crude oil is likely to rise further towards 6550 levels as long as it trades above 6350 levels.
- MCX Natural gas is expected to rise towards 268 level as long as it trades above 255 level

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	59224	59442	59855	60073	60486
Silver	69194	69609	70391	70806	71588
Copper	691.7	694.7	700.0	703.1	708.4
Aluminium	203.2	204.0	205.3	206.1	207.3
Zinc	224.0	225.6	227.8	229.4	231.6
Lead	185.6	186.1	186.6	187.1	187.6
Crude Oil	6273	6371	6429	6527	6585
Nat Gas	247	251	254	257	260

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	83.08	83.21	83.39	83.52	83.70
US\$INR (Nov)	83.13	83.26	83.44	83.56	83.74
EURINR (Oct)	88.78	88.94	89.06	89.21	89.33
EURINR (Nov)	88.96	89.10	89.21	89.36	89.47
GBPINR (Oct)	101.52	101.69	101.94	102.11	102.36
GBPINR (Nov)	101.64	101.80	102.03	102.18	102.41
JPYINR (Oct)	55.09	55.16	55.28	55.35	55.47
JPYINR (Nov)	55.39	55.47	55.58	55.66	55.77

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	105.86	105.91	-0.05%
US\$INR	83.34	83.29	0.07%
EURUSD	1.0686	1.0668	0.17%
EURINR	89.01	89.10	-0.10%
GBPUSD	1.2227	1.2223	0.03%
GBPINR	101.83	102.45	-0.60%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.299	7.275	0.024
US	4.652	4.624	0.0277
Germany	2.717	2.647	0.07
UK	4.336	4.273	0.063
Japan	0.850	0.838	0.012

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
9/27/2023	8:00 PM	-2.2M	-0.7M
9/20/2023	8:00 PM	-2.1M	-1.3M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	180000	2775	1.57%
Aluminium	481750	22650	4.93%
Zinc	70150	-2325	-3.21%
Lead	133900	850	0.64%
Nickel	42534	1860	4.57%

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, October 13, 2023						
5:30 PM	IND	Inflation Rate YoY OC		5.20%	5.02%	High
Tuesday, October 14, 2023						
12:30 PM	UK	Claimant Count Change		-	20.4K	High
12:30 PM	UK	Average Earnings Index 3m/y		-	8.1%	Medium
3:30 PM	Europe	Flash GDP q/q			-0.1%	Medium
3:30 PM	Europe	German ZEW Economic Sentiment			-1	Medium
7:00 PM	US	CPI y/y			3.7%	High
Wednesday, October 15, 2023						
7:30 AM	China	Industrial Production y/y		-	4.5%	High
7:30 AM	China	Retail Sales y/y		-	5.5%	Medium
12:30 PM	UK	CPI y/y		-	6.70%	High
3:30 PM	Europe	Industrial Production m/m		-	0.60%	Medium
7:00 PM	US	Retail Sales m/m		-	0.7%	High
7:00 PM	US	PPI m/m			0.5%	High
7:00 PM	US	Empire State Manufacturing Index			-4.60	High
9:00 PM	US	Crude oil Inventories		-	-	Medium
Thursday, October 16, 2023						
2:00 PM	UK	Unemployment Claims		-	217k	Medium
7:00 PM	US	Philly Fed Manufacturing Index		-	-9	Medium
7:45 PM	US	Industrial Production m/m		-	0.3%	Medium
Friday, October 17, 2023						
12:30 PM	UK	Retail Sales m/m		-	-0.9%	High
3:30 PM	Europe	Final CPI y/y		-	2.9%	Medium
7:00 PM	US	Building Permits		-	1.47M	Medium

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

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.

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.