

October 10, 2023

Daily Currency & Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Gold Mini	November	Buy	57200-57220	57600	56950	Intraday
EURINR	October	Buy	87.85-87.87	88.25	87.65	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 rose almost 1% on Monday amid ongoing conflict in Middle east. The rising political unrest in the region increased the safe haven buying in the bullions and pushed the spot gold to rise towards \$1850. Further, retreat in US treasury yields and dovish comments from the Fed member supported the rally in the bullions.
- The recent jump in the long-term treasury yields has forced the Fed members to turn dovish in their stance
- The 10-year US treasury yields slide below the 4.70 mark on Monday, where as the US dollar index edged lower towards 106.10.
- Crude oil prices surged 4% on Monday, as the military clash between Israel and Hamas militants ignited the fears of supply disruption from the Middle east. Meanwhile, reports of Saudi Arabia to raise the output next year as per the proposed Israel deal has restricted more upside in crude oil futures.
- In its 2023 World Oil Outlook, OPEC said it expects global demand to reach 116 million barrels per day (bpd) by 2045, up from 99.6 million bpd in 2022 and roughly 6 million more bpd than it predicted in last year's report.
- Copper prices extended its gains on Monday as Chinese buyers returned after a week-long holiday. But rising inventories in LME restricted more upside in the red metal. Copper inventories in LME rose to 170425 tones highest since May 2022.
- NYMEX Natural gas rallied more than 1% on Monday amid expectations that US supplies could remain tight in the near-term.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	57572	1.23%	1861.41	1.55%
Silver	69094	1.36%	21.88	1.28%
Copper	714.4	0.74%	8104.00	0.72%
Aluminium	207.9	0.31%	2241.50	0.09%
Zinc	224.8	0.02%	2513.00	0.16%
Lead	186.5	-0.37%	2130.50	-0.61%
WTI Crude Oil	7184	4.49%	86.38	4.34%
US Nat Gas	281.3	1.96%	3.38	1.14%

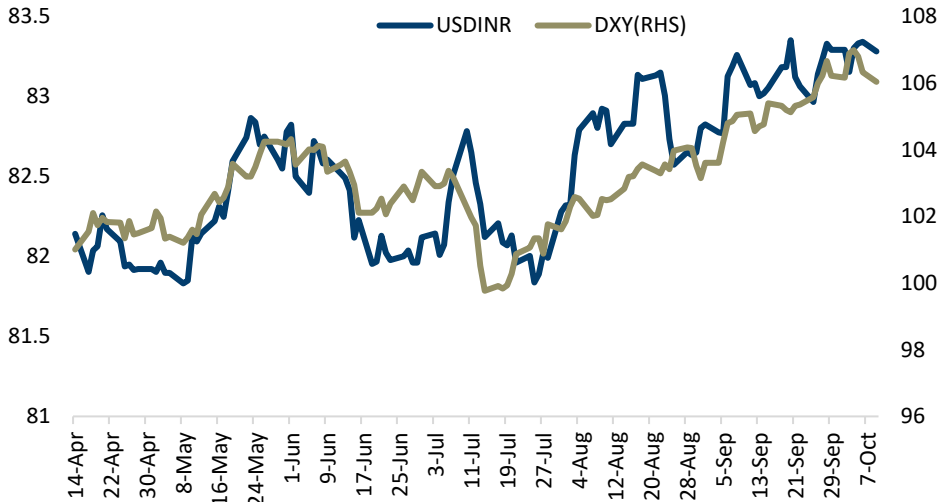
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Oct)	83.34	0.07%	5505468	205318	1596789	-170322
EURINR (27th oct)	87.86	-0.14%	121780	-3713	122957	-329
GBPINR (27th Oct)	101.47	-0.22%	179072	-11073	171532	9773

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	November	Buy	56900-56920	57450	56700	Not Initiated
USDINR	October	Sell	83.28-83.30	83.00	83.45	Exit

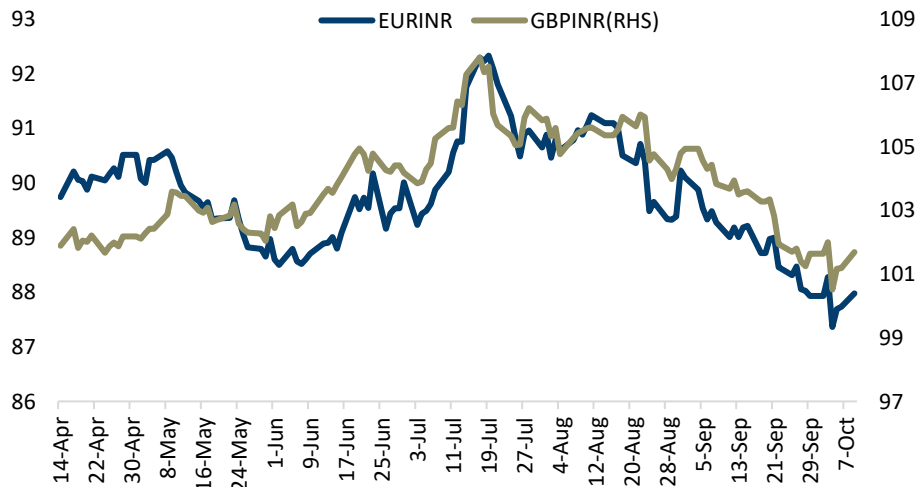
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee depreciated yesterday amid weak domestic market sentiments and surge in crude oil prices. Market sentiments were hurt due to rising conflict between Hamas and Israel
- Rupee is expected to appreciate today amid weakness in dollar and softening of US treasury yields. Dollar is showing weakness as two US Fed officials signaled that rates may remain unchanged. They noted that recent selloff in bonds might negate the need for further rate hikes. Meanwhile, rise in crude oil prices may limit gains in rupee. Oil prices are surging as clashes between Hamas and Israel ignited fears that a wider conflict could hit oil supply from Middle East. USDINR is likely to slip back towards 83.20 levels as long as it sustains below 83.40 levels

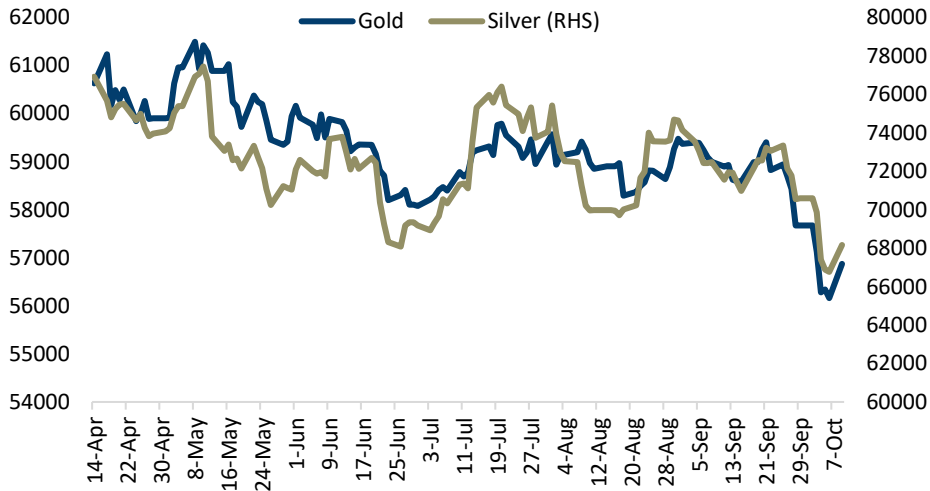
EURINR vs. GBPINR



Euro and Pound Outlook

- Euro recouped most of its loses amid weak US dollar and hawkish comments from ECB Vice President Guindos. He said interest rates are likely to stay at their current levels for some time. For today, EURUSD is likely to rise further towards 1.0610 levels as long as it remains above 1.0530 levels amid soft dollar and improved global market sentiments. Meanwhile, investors will remain cautious ahead of ECB President Lagarde speech to get cues on rate trajectory. EURINR may move north towards 88.25 level as long as it stays above support level of 87.65 levels
- Pound is expected to rise towards 1.2280 level amid weak dollar and rise in risk appetite in the global markets. However, markets will remain vigilant ahead of BOE financial policy committee summary and record. GBPINR is likely to rise towards 102.10 level as long as it trades above 101.40 level.

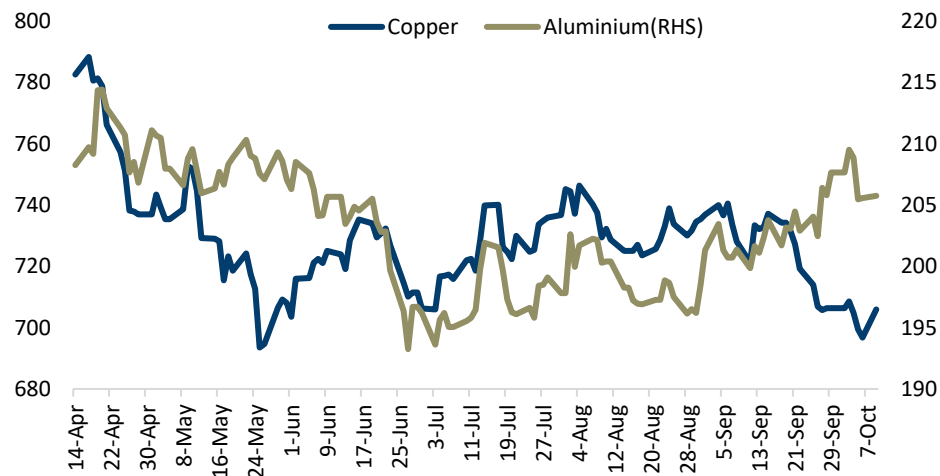
MCX Gold vs. Silver



Bullion Outlook

- Spot gold is likely to move higher towards \$1880, as long as it holds above \$1844. The softness in the US dollar index and safe haven buying in the amid on going conflict between Israel and Gaza would support the prices to trade higher. Further, dovish comments from the Fed members would also support the bullions to hold its gains.
- MCX Gold prices is likely to rise towards 57900 as long as it holds the key support 57200. Above 57900, it would open the doors towards 58,200 level.
- MCX Silver is expected follow the yellow metal and likely to rise towards 70500, as long as it holds above 68500 level. Above 70500, 71200 would act as major resistance for price

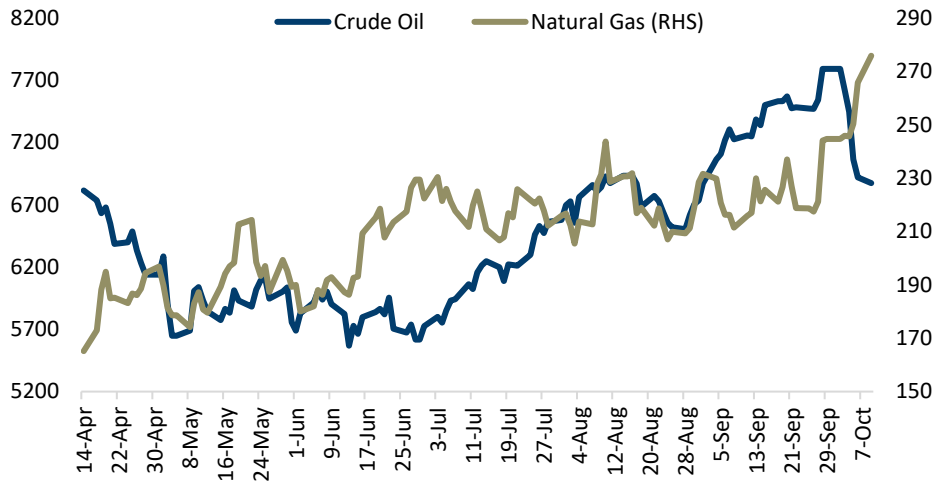
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to trade higher amid retreat in the dollar. Further, opening of the Chinese markets after the week long holiday could bring back the buyers back to the action. However higher inventories and weaker data from China could restrict the upside in the metal.
- Latest data from China showed average daily home sales during the holiday were down 17%, based on floor area, compared with last year.
- MCX Copper is expected to find support near 706 and move higher towards 715.
- MCX aluminium is expected to hold support near 205 and move north towards 208.50 level.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil is expected to hold its gains above the \$84 mark and move higher towards \$88 amid rising geopolitical risk in the Middle East. The greatest risk is conflict contagion further into the region. Meanwhile, any prospects of Iran's potential involvement could raise the risk of additional sanction which would further disrupt the oil supplies.
- MCX Crude oil is likely to move find support near 7050 and rise back towards 7300 level
- MCX Natural gas is expected to find support near 274 and rise towards 285 level amid forecast of below normal temperature in US that would boost heating demand for natural gas.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	56787	57179	57393	57785	57999
Silver	68265	68679	68940	69354	69615
Copper	710.0	712.2	715.1	717.3	720.2
Aluminium	205.2	206.6	207.6	208.9	209.9
Zinc	221.7	223.3	225.0	226.6	228.3
Lead	185.2	185.9	187.2	187.8	189.1
Crude Oil	6966	7075	7156	7265	7346
Nat Gas	271	276	283	288	294

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Oct)	83.25	83.30	83.32	83.37	83.40
US\$INR (Nov)	83.37	83.42	83.44	83.49	83.52
EURINR (Oct)	87.56	87.71	87.89	88.04	88.21
EURINR (Nov)	87.79	87.93	88.10	88.24	88.41
GBPINR (Oct)	101.14	101.31	101.57	101.73	101.99
GBPINR (Nov)	100.78	101.21	102.01	102.44	103.24
JPYINR (Oct)	55.98	56.04	56.09	56.16	56.20
JPYINR (Nov)	56.36	56.41	56.45	56.50	56.55

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	106.08	106.04	0.04%
US\$INR	83.27	83.25	0.03%
EURUSD	1.0567	1.0586	-0.18%
EURINR	87.71	87.84	-0.14%
GBPUSD	1.2238	1.2237	0.01%
GBPINR	101.49	101.59	-0.10%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.381	7.344	0.037
US	4.801	4.801	0
Germany	2.772	2.884	-0.112
UK	4.476	4.573	-0.097
Japan	0.805	0.805	0

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
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
9/13/2023	8:00 PM	4.0M	-2.2M
9/7/2023	8:30 PM	-6.3M	-2.06M
8/30/2023	8:00 PM	-10.6M	-2.2M
8/23/2023	8:00 PM	-6.1M	-2.9M

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	170475	300	0.18%
Aluminium	495650	-2000	-0.40%
Zinc	92425	-1950	-2.07%
Lead	84900	300	0.35%
Nickel	43134	0	0.00%

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, October 09, 2023						
11:30 AM	Europe	German Industrial Production m/m	-0.2%	-0.1%	-0.8%	Medium
Tuesday, October 10, 2023						
1:30 PM	Europe	Italian Industrial Production m/m	-	-0.5%	-0.7%	Medium
Tentative	Europe	ECB President Lagarde Speaks	-	-	-	Medium
10:30 PM	US	FOMC Member Waller Speaks	-	-	-	Medium
Wednesday, October 11, 2023						
6:00 PM	US	Core PPI m/m	-	0.2%	0.2%	High
6:00 PM	US	PPI m/m	-	0.3%	0.7%	High
11:30 PM	US	FOMC Meeting Minutes	-	-	-	High
Thursday, October 12, 2023						
11:30 AM	UK	GDP m/m	-	0.2%	-0.5%	High
5:30 PM	India	CPI y/y	-	5.45%	6.83%	High
6:00 PM	US	CPI y/y	-	3.6%	3.7%	High
6:00 PM	US	Unemployment Claims	-	216K	207K	High
Friday, October 13, 2023						
7:00 AM	China	CPI y/y	-	0.2%	0.1%	High
Tentative	China	Trade Balance	-	510B	488B	Medium
7:30 PM	US	Prelim UoM Consumer Sentiment	-	67.5	68.1	High
7:30 PM	US	Prelim UoM Inflation Expectations	-	-	3.2%	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.