

December 5, 2023

Daily Currency & Commodities Outlook

Daily Recommendations

Commodity/Index	Expiry	Action	Entry	Target	Stop Loss	Time Frame
Crude Oil	December	Sell	6230-6250	6050	6330	Intraday
USDINR	December	Sell	83.41-83.42	83.27	83.52	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 retreated from its all time high on Monday amid rebound in the US dollar and recovery in the US treasury yields. Earlier COMEX gold hit a record high at \$2152 on increasing bets that the Fed will cut the rates in March 2024.
- The dollar reversed its earlier losses and gained almost 0.50% on Monday to settle above the 103.60 ahead of the key US job numbers on Friday. The 10-year US treasury yields approached towards 4.3% rebounding from three-month lows, as traders await key economic numbers from US to access the monetary policy outlook. Meanwhile, significant drop in factory orders data checked the upside in the dollar.
- Crude oil futures declined again on Monday amid growing skepticism over the latest OPEC+ decision on supply cuts and uncertainty around the global fuel demand. Last week's weaker set of manufacturing numbers from Eurozone and US also raised the doubts on demand. Meanwhile, reemergence of geopolitical tension in the Middle east limited the downside in oil prices.
- Copper futures erased all its Friday's gain on Monday amid rebound in the dollar index and higher LME inventory levels. Further, doubts over Chinese demand prospects also weighed on the red metal. Meanwhile, increasing supply concerns from Panama after First Quantum suspended operations at its Cobre mine has limited the downside in the metal.
- NYMEX Natural gas futures fell more than 3% on Monday amid record output and forecast of mild weather in US.

Price Performance

Commodity	LTP (₹)	Change	LTP (\$)	Change
Gold	62369	-1.56%	2029.42	-2.07%
Silver	76168	-2.46%	24.51	-3.85%
Copper	720.2	-0.88%	8443.00	-1.95%
Aluminium	200.2	-0.82%	2182.00	-1.22%
Zinc	220.5	-2.13%	2453.00	-2.25%
Lead	184.4	-0.70%	2093.50	-1.20%
WTI Crude Oil	6157	-1.97%	73.04	-1.39%
US Nat Gas	223.9	-5.25%	2.69	-4.26%

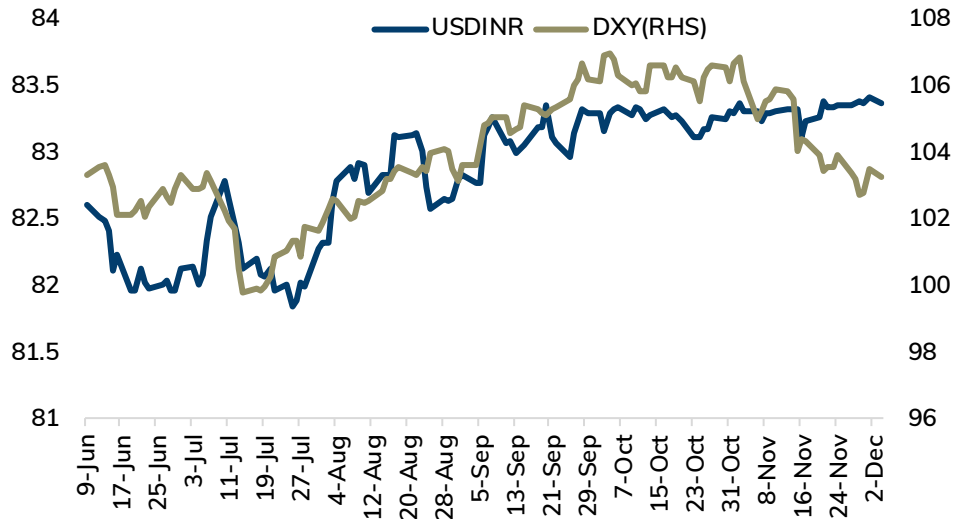
Domestic Currencies

Futures	Close	% Change	Open Interest	Change in OI	Volume	Change in Vol
USDINR (27th Dec)	83.41	0.05%	4620291	258984	1467932	-1275785
EURINR (27th Dec)	90.78	-0.08%	192505	-9320	148438	-8156
GBPINR (27th Dec)	105.70	0.23%	272103	8680	149155	-22820

Daily Strategy Follow-up

Commodity/Index	Expiry	Action	Entry	Target	Stoploss	Comment
Gold Mini	January	Buy	63350-63400	64000	63100	Stoploss Triggered
USDINR	December	Sell	83.38-83.39	83.20	83.50	Exit

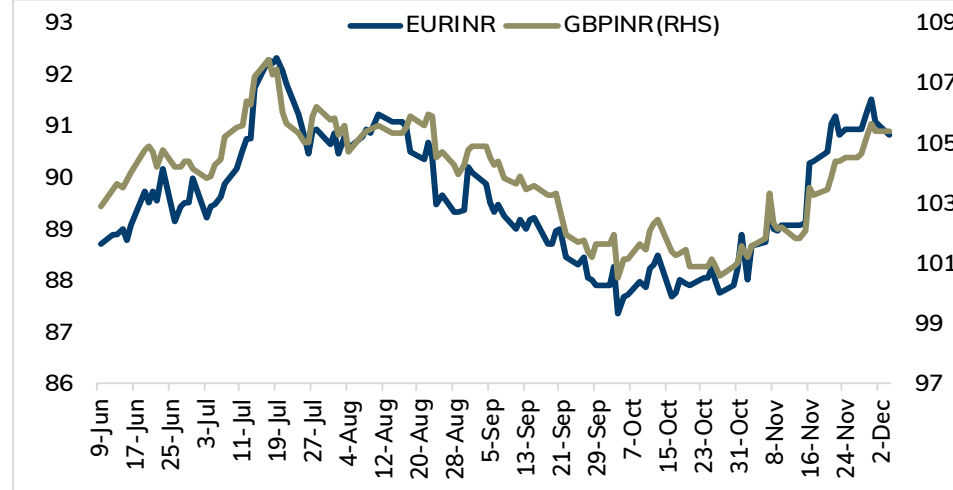
Dollar Index vs. US\$INR



Rupee Outlook

- Rupee depreciated yesterday amid recovery in dollar and strong dollar demand from importers. Meanwhile, further weakness in rupee was prevented due to rise in risk appetite in the domestic markets and softening of crude oil prices
- Rupee is likely to regain its strength today amid expectation of correction in dollar & US treasury yields and decline in crude oil prices. Dollar is likely to move south as softening economic data and recent comments from Fed officials have bolstered expectations that Fed will begin cutting rates as soon as March. Additionally, market will remain cautious ahead of ISM Services PMI and Jolts job opening data to get clarity on future path of interest rates. USDINR may slip to 83.27 level as long as its stays below 83.52 levels

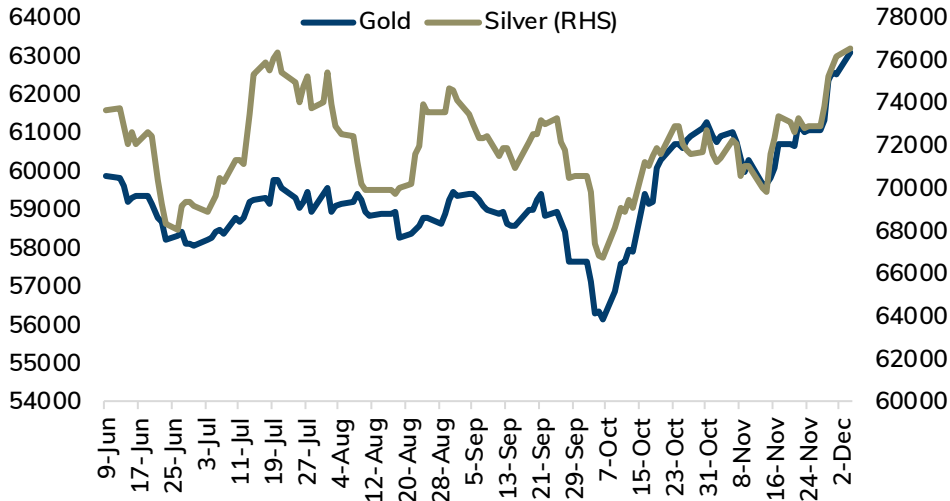
EURINR vs. GBPINR



Euro and Pound Outlook

- Euro slipped by 0.40% yesterday amid recovery in dollar and risk aversion in the global markets. Further, disappointing economic data from euro zone and dovish statements from ECB officials weighed on single currency. For today, EURUSD is likely to rise back towards 1.0900 levels as long as it stays above 1.080 levels amid expectation of correction in dollar and forecast of improved economic data. Meanwhile, sharp upside may be capped due to pessimistic global market sentiments and dovish statements from ECB officials. EURINR may rally towards 91.0 as long as it trades above 90.40 levels
- Pound is likely to move back towards 1.2700 level amid expectation of correction in dollar, improved economic data from Britain and on hopes that BOE will keep rates higher for longer compared to peers, given stubbornly high inflation. GBPINR is likely to move higher towards 106.00 level as long as it stays above 105.20 levels

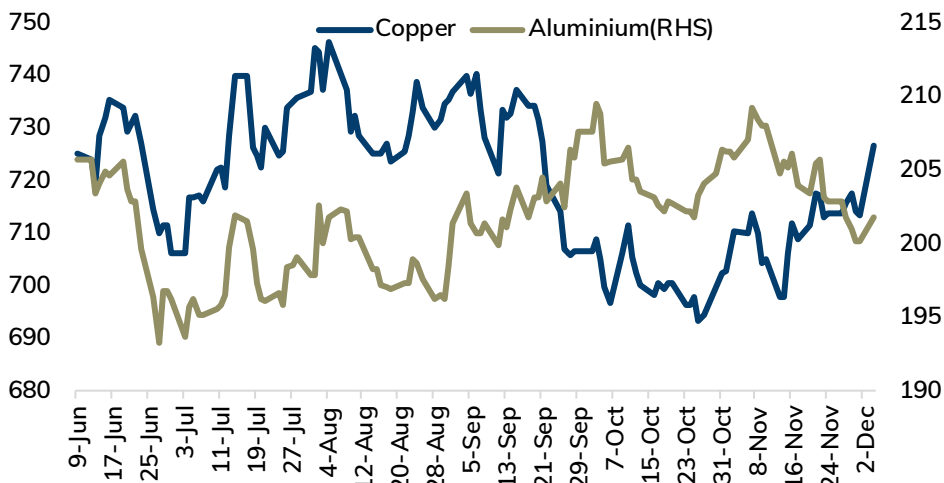
MCX Gold vs. Silver



Bullion Outlook

- Gold is expected to find support near \$2017 and move higher towards \$2070, amid softness in the dollar and US treasury yields. The increasing probability of rate cut in March by the US Federal reserves would support the bullions to hold its ground. As per the CME Fed-Watch toll probability of rate cut in May has moved up to 61% from 55%. Further, expectation of lower job opening numbers could also provide support to the bullions.
- MCX gold February is expected to find support near 62000, and rebound towards 63000. Only close below 62,000 it would weaken towards 61600.
- MCX silver is likely to find support near 75500 and rebound towards 77500. Only close below 75500, would weaken the price further towards 74400.

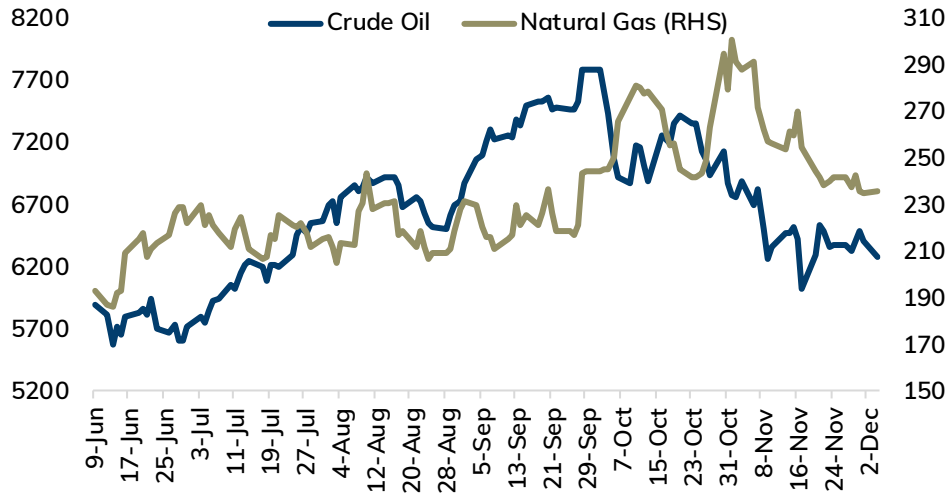
MCX Copper vs. Aluminium



Base Metal Outlook

- Copper prices are expected to regain its strength and move higher amid supply concerns and improved economic numbers from China. The Caixin Service PMI has improved to 51.50 against previous reading of 50.40. Further, investors will keep an eye on key economic numbers from Eurozone and US to get more clarity on price trend.
- MCX Copper December is likely to find support near the 10-day EMA at 717 and rebound towards 725. Only close below 717, it would turn weaker towards 712
- MCX Aluminium December is expected to face the hurdle near 202 and move lower towards 198.

MCX Crude Oil vs. Natural Gas



Energy Outlook

- NYMEX Crude oil prices are expected to face the hurdle near \$75.50 and remain under pressure amid uncertainty over production cut by OPEC+. Further, higher production from US would also check the upside in oil prices. Meanwhile, re-emergence of geopolitical tension in Middle east again stoked supply concerns, which could limit the downside in the oil prices.
- MCX Crude oil is likely to weaken towards 6050, as long as it remains under 6350. Only move below 6050 would open the doors towards 5950
- MCX Natural gas December futures is expected to face the hurdle near 230 and move lower towards 218 amid mild weather forecast in US.

Daily Commodity Pivot Levels

Commodity	S2	S1	Pivot	R1	R2
Gold	61081	61725	62894	63538	64707
Silver	74241	75204	76877	77840	79513
Copper	716.5	718.4	721.9	723.7	727.2
Aluminium	198.8	199.5	200.5	201.2	202.3
Zinc	217.0	218.8	222.0	223.8	227.0
Lead	183.4	183.9	184.8	185.3	186.2
Crude Oil	5994	6076	6161	6243	6328
Nat Gas	216	220	226	230	237

Daily Currency Pivot Levels

Futures	S2	S1	Pivot	R1	R2
US\$INR (Dec)	83.19	83.30	83.36	83.47	83.53
US\$INR (Jan)	83.33	83.40	83.45	83.52	83.57
EURINR (Dec)	90.44	90.61	90.71	90.87	90.97
EURINR (Jan)	90.66	90.81	90.90	91.05	91.14
GBPINR (Dec)	105.43	105.56	105.65	105.79	105.88
GBPINR (Jan)	105.53	105.66	105.75	105.88	105.96
JPYINR (Dec)	56.81	56.96	57.05	57.21	57.30
JPYINR (Jan)	57.16	57.30	57.40	57.54	57.64

Major Currency Pairs

Currencies	Close	Pvs. Close	% Change
DXY	103.71	103.27	0.43%
US\$INR	83.37	83.30	0.08%
EURUSD	1.0836	1.0884	-0.44%
EURINR	90.66	90.79	-0.14%
GBPUSD	1.2633	1.2710	-0.61%
GBPINR	105.67	105.52	0.14%

10 year government - Global Bonds Yields

Country	Close	Pvs. Close	Change
India	7.270	7.290	-0.02
US	4.253	4.196	0.0573
Germany	2.354	2.362	-0.008
UK	4.194	4.140	0.054
Japan	0.697	0.697	0

US Crude Stocks Change (Barrels)

Release Date	Time (IST)	Actual	Forecast
11/29/2023	8:00 PM	1.6M	-0.1M
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

LME Warehouse Stocks (Tonnes)

Commodity	Current Stock	Change in Stock	% Change
Copper	174900	650	0.37%
Aluminium	452900	-1475	-0.32%
Zinc	222700	-1575	-0.70%
Lead	134600	-4725	-3.39%
Nickel	46248	-66	-0.14%

Economic Calendar

Date & Time (IST)	Country	Data & Events	Actual	Expected	Previous	Impact
Monday, December 04, 2023						
3:00 PM	Europe	Sentix Investor Confidence	-16.8	-15	-18.6	Medium
8:30 PM	US	Factory Orders m/m	-3.60%	-2.70%	2.80%	Medium
Tuesday, December 05, 2023						
7:15 AM	China	Caixin Services PMI	-	50.7	50.4	High
8:30 PM	US	ISM Services PMI	-	52.5	51.8	High
8:30 PM	US	JOLTS Job Openings	-	9.33M	9.55M	High
Wednesday, December 06, 2023						
4:00 PM	UK	FPC Meeting Minutes	-	-	-	Medium
6:45 PM	US	ADP Non-Farm Employment Change	-	120K	113K	High
9:00 PM	US	Crude Oil Inventories	-	-	1.6M	Medium
Thursday, December 07, 2023						
Tentative	China	Trade Balance	-	380B	405B	Medium
12:30 PM	Europe	German Industrial Production m/m	-	-0.10%	-1.40%	Medium
12:30 PM	UK	Halifax HPI m/m	-	0.30%	1.10%	Medium
7:00 PM	US	Unemployment Claims	-	221K	218K	High
9:00 PM	US	Natural Gas Storage	-	-	10B	Medium
Friday, December 08, 2023						
10:00 AM	India	RBI Interest rate decision	-	6.50%	6.50%	High
7:00 PM	US	Average Hourly Earnings m/m	-	0.30%	0.20%	High
7:00 PM	US	Non-Farm Employment Change	-	185K	150K	High
7:00 PM	US	Unemployment Rate	-	3.90%	3.90%	High
8:30 PM	US	Prelim UoM Consumer Sentiment	-	62	61.3	High
8:30 PM	US	Prelim UoM Inflation Expectations	-	-	4.50%	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 – 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.

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.