

03 Apr, 2023



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Dollar Index (DXY) saw some buying interest from lower levels on Friday and formed a green candle on daily chart. While it concluded the week with loss of half a percent as slower US consumer spending growth boosted hopes that the US Federal Reserve would be less aggressive in hiking interest rates. The Federal Reserve's preferred gauge of inflation showed improvement on the inflation front. Both core PCE m-o-m and y-o-y trailed the forecast. Core PCE inflation for February rose 0.3% Vs the estimate of 0.4% as January's data was revised lower to 0.5% from 0.6%. Core PCE inflation data on a y-o-y basis came in at 4.6% as against the estimate of 4.7%. On the other hand, In absence of any major negative headlines concerning the banking sector, risk appetite has remarkably improved. Also, the US President has called for strengthening the supervision of the banking system. The administration wants the regulators to take necessary steps to safeguard the banks with assets between \$100 billion and \$250 billion. As per the data showed on Friday, the euro zone inflation dropped by the most on record last month, but core price pressures, which exclude food and energy, accelerated, maintaining pressure on the European Central Bank (ECB) to keep raising rates. Now, US manufacturing, US non-manufacturing, and monthly Non-farm payroll report will be in focus for this week. Going forward, crucial support for DXY is placed at 102 – 101.50 zone, while resistance can be seen around 103.50.

Currency Update

Currency	Last Price	Previous Close	% Change
USDINR	82.3125	82.4300	-0.14
GBPINR	101.8900	101.7600	0.13
EURINR	89.5700	89.5600	0.01
JPYINR	62.1100	62.7575	-1.03

MCX Update

Commodity	Contract	Closing Price	% Change
Bullion			
Gold	Jun	59600.00	-0.49
Silver	May	72205.00	0.60
Base Metals			
Aluminium	Apr	210.05	0.72
Copper	Apr	779.30	-0.03
Zinc	Apr	256.40	-0.79
Lead	Apr	181.65	-0.60
Nickel	Apr	-	
Energy			
Crude Oil	Apr	6169.00	1.67
Natural Gas	Apr	184.20	5.14

Source: MCX, NSE, Bloomberg.

USDINR Fut opened with a downside gap and witnessed some buying interest from lower levels. Eventually, it concluded the session with loss of 0.14% and formed a Spinning type candle on daily scale. While it formed an inside bar pattern for second consecutive week, indicating indecisiveness among the participants. Considering overall structure, it is expected to remain in the range of 82 – 82.70 for coming few days. Now, RBI monetary policy decision, scheduled on 6th April, will be in focus.

Crude Oil Fut (in MCX) continued the positive momentum for yet another session and formed a green candle on daily chart. It rallied by around 1000 points from its recent swing low within 10 working days and posted a gain of over 8% in last week. Oil prices climbed as sentiment was boosted by an expansion in factory activity in China and a halt to exports from Iraq's Kurdistan region. China's manufacturing activity rose in March at a slower pace compared with a record breaking expansion in February, but still exceeded expectations by economists in a Reuters poll. Yesterday, OPEC+ announced a surprise oil production cut. OPEC+ members will implement voluntary oil production cuts exceeding more than one million barrels per day from May until the end of the year as a precautionary measure aimed at supporting the stability of the oil market. Technically, till Crude Oil Fut sustains above 6080 zone, a further bounce is possible towards 6330 - 6400 zone.

Natural Gas Fut (in MCX) bounced by nearly 5% and formed a green candle on daily chart. While it continued the bearish momentum for fourth consecutive month due to mild weather in major part of US and with relatively high inventory levels. Though broader chart structure of NG fut remains negative, a pull-back move upto 195 – 200 zone cannot be ruled out. While, support can be seen around 174 – 168 levels.

Gold Fut (in MCX) remained in a sideways direction in first half of the session and then saw some corrective move in the later half. It concluded the session with loss of around half a percent and formed a red candle on daily scale. Yellow metal rallied by over 6% in last month on back of a corrective move in Dollar index and US bond yields. At current juncture, broader trend is positive and dips shall be used as a buying opportunity. Going forward, support is placed at 59200 – 59000 zone, while resistance can be seen around 60000 – 60300 levels.

Silver Fut continued positive momentum for fourth consecutive session and closed above 72000 zone. While it rallied by over 13% in last month. Considering overall sentiments and chart structure, it is expected to rally further towards 73400 – 74000 levels with support at 70000.

Pivotal Levels (Commodities)

Commodity	Contract	S1	S2	R1	R2
Bullion					
Gold	Jun	59,200	59,000	60,000	60,300
Silver	May	70,000	69,400	73,400	74,000
Base Metals					
Aluminium	Apr	207.20	204.00	213.40	215.90
Copper	Apr	770.00	763.00	786.00	795.00
Zinc	Apr	252.20	249.00	259.90	264.80
Lead	Apr	179.90	177.70	183.85	185.00
Nickel	Apr	-	-	-	-
Energy					
Crude Oil	Apr	6,080	5,940	6,330	6,400
Natural Gas	Apr	174.00	168.00	195.00	200.00
Index					
Bulldex	Apr	15,980	15,810	16,285	16,380
Metldex	Apr	-	-	-	-

Source: JMFS Research.

Pivotal Levels (Currencies - spot)

Currency	S1	S2	R1	R2
USDINR	82.00	81.85	82.33	82.50
EURINR	88.65	88.42	89.20	89.45
JPYINR	61.48	61.20	62.10	62.35
GBPINR	100.90	100.65	101.45	101.80

Economic Calendar

Country	Time	Data Release
EUR	13:25	German Manufacturing PMI (Mar)
GBP	14:00	Manufacturing PMI (Mar)
USD	19:30	ISM Manufacturing PMI (Mar)

Source: Bloomberg, MCX, Investing.com.

Open Calls (Currency & Commodity)

Date	Symbol	Strategy	Strikes	Buy/Sell	Reco Price	SL	Target	Remark
Mar 27, 2023	USDINR 6 APRIL	Bull Call Spread	+82.5CE, -83CE		0.1450	0.1450 Max Loss	0.3550 Max Profit	
Mar 28, 2023	Buy USDINR Fut & Sell JPYINR Fut	Pair Trade			19.32 Difference	18.30	22 - 23	
Mar 28, 2023	Crude Oil 17Apr	Bull Call Spread	+6100 CE, -6500 CE	Buy	130 - 135	75	230 – 300	
Mar 29, 2023	Buy EURINR Fut & Sell GBPINR Fut	Pair Trade			12.12 Difference	12.85	10.70 – 10	
Mar 29, 2023	Aluminium Mini Fut			Buy	208 - 209	204	218 - 223	

Source: JMFS Research.

Glossary

Term	Description
USD	US Dollar
EUR	Euro
DXY	Dollar index
GBP	UK Pound
INR	Indian Rupee
FII	Foreign Institutional Investor
DII	Domestic Institutional Investor
NFP	Non Farm Payrolls
OI	Open Interest
EIA	Energy Information Administration
VIX	Volatility Index
Basis	Difference between spot & futures
FII	Foreign Institutional Investor
DII	Domestic Institutional Investors
Pro	Proprietary trades
CE	Calls
PE	Puts
IV	Implied Volatility
CME	Chicago Mercantile Exchange
COMEX	CME – BULLION division
NYMEX	New York Mercantile Exchange

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SEBI Registration Number - INH000001196

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