

Treasury yields

	Closing yield%	Previous yield %
India 10 year	7.05	6.97
US 10 year	2.37	2.41
Eur 10 year	0.40	0.42
UK 10 year	1.32	1.33
JPY 10 year	0.05	0.05

RBI reference rate

	Close		% change
	11/14/2017	11/13/2017	
US\$INR	65.52	65.43	0.14
EUR-INR	76.48	76.22	0.34
GBP-INR	85.94	85.82	0.14
JPY-INR	57.65	57.68	-0.05

Spot

	Close	Prev close	% change
Rupee	65.42	65.43	-0.01
Dollar index	93.83	94.49	-0.70
Euro	1.1798	1.1667	1.12
British pound	1.3165	1.3116	0.37
Japanese Yen	113.46	113.62	-0.14
Australian (\$)	0.7631	0.7623	0.10
Swiss Franc	0.9893	0.9963	-0.70

Currency futures (US\$, ₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
November	65.55	-0.02	1096680	1609393	7.77	23.80
December	65.77	0.00	334488	137792	5.98	-36.17
Nov-Dec	-0.22	-	-	1471601	-	91.44
Dec-Jan	-0.23	-	-	126368	-	91.71

Global Indices

Indices	Close	Prev close	% change
Dow Jones	23409.47	23439.7	-0.13
Nasdaq	6293.642	6316.177	-0.36
FTSE	7414.42	7415.18	-0.01
DAX	13033.48	13074.42	-0.31
Hang Sang	29152.12	29182.18	-0.57
Nikkei	22380.01	22380.99	-0.92
SGX Nifty	10228	10261	-0.32

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1280.25	1278.31	0.15
Copper	306.5	311.65	-1.65
Brent crude	62.21	63.16	-1.50

Source: Reuters, Bloomberg, Cdsl for above all exhibits

Research Analyst

Amit Gupta
 amit.gup@icicisecurities.com

Gaurav Shah
 gaurav.shah@icicisecurities.com

Debt market

- Government bonds fell for a third straight session, with the benchmark yield spiking to its highest in 14 months, as market participants cut positions after inflation accelerated to a seven-month high in October
- The Gov benchmark 6.79% 2027 bond yield rose to 7.05% from 6.97% in the previous session
- Yield on the US 10-year benchmark bond declined to 2.37% from 2.41% in the previous session

Forex (US\$/INR)

- The rupee swung between gains and losses before ending unchanged against the US\$, as fears of foreign fund outflows were offset by weak US\$ against major currencies
- The US\$ posted losses against major currencies as the Euro and JPY rose sharply even as rate hike sentiment remain weak. The Euro rallied posting gains of over 1% leading to losses of almost 0.70% in the dollar index. On the other hand, emerging currencies are weighed by rising crude oil prices coupled with firm commodity prices, which is raising concerns over higher inflation prospects

Equity

- Equity benchmarks extended their decline on Tuesday as higher-than-expected consumer inflation data dampened hopes of any rate cut by the RBI
- Broader markets also corrected in tandem as NSE midcap and small cap indices corrected 0.2% and 0.8%, respectively

Commodities Market

- Gold posted mild gains but overall remained in a range as waning safe haven demand coupled with sluggish investment demand is weighing on gold prospects
- Crude oil extended losses as investors continue to book profits from recent surge. Speculation over crude oil supply accord continues regarding the duration of the supply curb deal

Strategy

- In the currency futures market, the near month dollar-rupee November contract on the NSE ended at 65.55. The November contract open interest increased 7.77% from the previous day
- December contract open interest rose 5.98% in the previous session
- We expect the US\$ to meet supply pressure at higher levels. Utilise upside in the pair to go short on the US\$INR

Intra-day strategy

US\$INR November futures contract (NSE)	View: Bearish on US\$INR
Sell US\$INR in the range of 65.50 - 65.60	Market Lot: US\$1000
Target: 65.30 / 65.20	Stop Loss: 65.70
Support	Resistance
S1/ S2: 65.40 / 65.25	R 1/R 2: 65.55 / 65.65

Source: Company, ICICIdirect.com Research

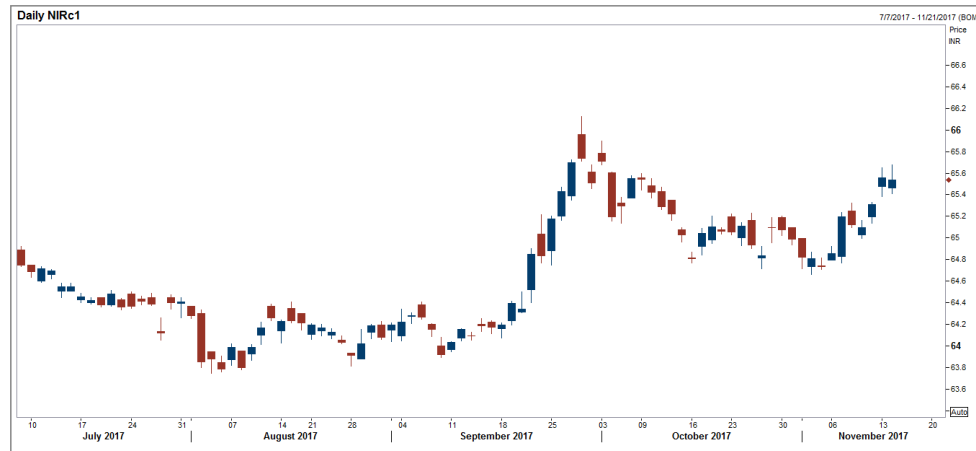
*Call initiation and update messages will be broadcast on iclick-2-gain"

FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹crore)
Equity	4632.82	4768.55	-135.73
Debt	2263.31	2648.67	-385.36

Source: SEBI, CDSL

Exhibit 1: US\$ INR Currency Future (NSE)



Source: Reuters, ICICIdirect.com Research

Exhibit 2: Pivot Levels (NSE)

Futures	Pivot	S 1	S 2	R 1	R 2
US\$ - INR (November)	65.54	65.41	65.28	65.67	65.80
US\$ - INR (December)	65.76	65.63	65.51	65.89	66.01
EUR - INR (November)	76.71	76.52	76.19	77.04	77.23
EUR - INR (December)	77.07	76.87	76.55	77.39	77.59
GBP - INR (November)	85.92	85.69	85.53	86.07	86.30
GBP - INR (December)	86.29	86.08	85.92	86.45	86.66
JPY - INR (November)	57.67	57.55	57.43	57.79	57.92
JPY - INR (December)	57.96	57.85	57.74	58.07	58.18

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
14-Nov-17	November	Sell	Sell future	65.45	65.12	65.60	-110	Exit in loss

(*Returns are calculated on one lot only)

Exhibit 4: Contract Specification (NSE)

Underlying	Rate of exchange between one USD and INR
Trading Hours (Monday to Friday)	09:00 a.m. to 05:00 p.m.
Contract Size	USD 1000
Tick Size	0.25 paise or INR 0.0025
Trading Period	Maximum expiration period of 12 months
Contract Months	12 near calendar months
Final Settlement date/ Value date	Last working day of the month (subject to holiday calendars)
Last Trading Day	Two working days prior to Final Settlement Date
Settlement	Cash settled
Final Settlement Price	The reference rate fixed by RBI two days prior to the final settlement date will be used for final settlement

Source: NSE, ICICIdirect.com Research

NOTES:

- The Sell below / above price is a key technical level, which decides the trend for the day
- Initiate the trade within +/- 0.03—0.04 margin from the recommended level
- A return opportunity of about 0.09 paisa is considered for partial profit booking post initiation of the trade
- Once the Call is initiated, an appropriate Stop Loss trigger should be put for the trade
- Once into position, put trailing stops to preserve your profits
- Be careful if the counter achieves the target immediately after opening
- The strategies are valid only for the date mentioned at the top
- Positions should be squared off by the end of the day
- The strategies are based on intra-day volatility, suggesting a two-way approach intra-day
- Medium to long-term prospects do not have any bearing on the daily view

MOST IMP: The follow-up and performance review table of the strategies indicates the profit opportunity that was available in the strategies. Individual profits may vary, depending upon the entry and exit price and stop losses



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICIdirect.com Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

Disclaimer

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 Ltd (I-Sec). The author may be holding a small number of shares/position in the above-referred companies as on date of release of this report. I-Sec may be holding a small number of shares/position in the above-referred companies as on date of release of this report. 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 may 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. 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 report may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. I-Sec and affiliates accept no liabilities 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. Actual results may differ materially from those set forth in projections. I-Sec may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. 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 I-Sec 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.