

Treasury yields

| | Closing yield% | Previous yield % |
|---------------|----------------|------------------|
| India 10 year | 7.06 | 7.02 |
| US 10 year | 2.38 | 2.32 |
| Eur 10 year | 0.38 | 0.38 |
| UK 10 year | 1.31 | 1.29 |
| JPY 10 year | 0.05 | 0.05 |

RBI reference rate

| | Close | | % change |
|---------|------------|------------|----------|
| | 11/16/2017 | 11/15/2017 | |
| US\$INR | 65.30 | 65.37 | -0.11 |
| EUR-INR | 77.00 | 77.06 | -0.08 |
| GBP-INR | 86.05 | 85.91 | 0.16 |
| JPY-INR | 57.81 | 57.76 | 0.09 |

Spot

| Spot | Close | Prev close | % change |
|-----------------|--------|------------|----------|
| Rupee | 65.32 | 65.21 | 0.17 |
| Dollar index | 93.93 | 93.81 | 0.13 |
| Euro | 1.177 | 1.1791 | -0.18 |
| British pound | 1.3195 | 1.3171 | 0.18 |
| Japanese Yen | 113.06 | 112.88 | 0.16 |
| Australian (\$) | 0.7588 | 0.7589 | -0.01 |
| Swiss Franc | 0.9941 | 0.9884 | 0.58 |

Currency futures (US\$, ₹, NSE)

| Contracts | LTP | chg (%) | OI | Vol | chg (%) | |
|-----------|-------|---------|---------|---------|---------|-------|
| | | | | | OI | Vol |
| November | 65.40 | 0.09 | 1073164 | 1552214 | -5.32 | -0.75 |
| December | 65.63 | 0.11 | 355759 | 93013 | 3.98 | -1.49 |
| Nov-Dec | -0.23 | - | - | 1459201 | - | 94.01 |
| Dec-Jan | -0.22 | - | - | 84676 | - | 91.04 |

Global Indices

| Indices | Close | Prev close | % change |
|-----------|----------|------------|----------|
| Dow Jones | 23458.36 | 23271.28 | 0.80 |
| Nasdaq | 6339.141 | 6258.359 | 1.29 |
| FTSE | 7386.94 | 7372.61 | 0.19 |
| DAX | 13047.22 | 12976.37 | 0.55 |
| Hang Sang | 29212.61 | 29018.76 | 0.67 |
| Nikkei | 22536.89 | 22351.12 | 0.83 |
| SGX Nifty | 10341 | 10260 | 0.79 |

* Asian market as at 08.00 am

Commodities

| | Close | Prev close | % change |
|-------------|---------|------------|----------|
| Gold | 1278.58 | 1278.14 | 0.03 |
| Copper | 304.8 | 305.45 | -0.21 |
| Brent crude | 61.36 | 61.87 | -0.82 |

Source: Reuters, Bloomberg, Cdsl for above all exhibits

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Debt market

- Government bonds declined as yields continued to rise unabated over the recent surge in domestic inflation coupled with concerns over fresh supply of debt
- The Gov benchmark 6.79% 2027 bond yield rose to 7.06% from 7.02% in the previous session
- Yield on the US 10-year benchmark bond rose to 2.38% from 2.32% in the previous session

Forex (US\$/INR)

- The rupee ended mildly weak amid strength in the US\$. However, the rupee is expected to get a strong boost from Moody's sovereign debt rate upgrading
- The US\$ posted mild gains against major currencies as the Euro witnessed mild profit booking while JPY fell against the greenback. GBP continued to remain on the edge above crucial supports. Traders await news on US tax reform while the Euro could rise until 1.20 after bouncing from supports near 1.15 levels

Equity

- The equity benchmarks made a strong comeback on Thursday to record their best single day gain in two weeks helped by bargain buying in recently corrected index heavyweights
- The broader markets represented by Nifty midcap and small cap indices also gained ~1% each resulting in a positive market breadth. Sectorally, IT, banking, metal and realty sectoral indices gained over 1% each. PSU banks outperformed peers

Commodities Market

- Gold was almost unchanged as forex markets remain in a range in the absence of any major market moving data. Traders are keenly awaiting news on tax reforms, which may affect US yields and have a bearing on non-interest paying assets
- Oil prices continued to witness profit booking as risks over political upheaval in Saudi Arabia continued to subside. Traders would prefer to remain on the sidelines ahead of a crucial Opec November meeting wherein a decision on oil supply accord extension is expected

Strategy

- In the currency futures market, the near month dollar-rupee November contract on the NSE ended at 65.40. The November contract open interest declined 5.32% from the previous day
- December contract open interest rose 3.98% in the previous session
- We expect the US\$ to meet supply pressure at higher levels. Utilise the 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 65.00 - 65.10 | Market Lot: US\$1000 |
| Target: 64.80 / 64.70 | Stop Loss: 65.20 |
| Support | Resistance |
| S1/ S2: 64.80 / 64.70 | R 1/R 2: 65.05 / 65.15 |

Source: Company, ICICIdirect.com Research

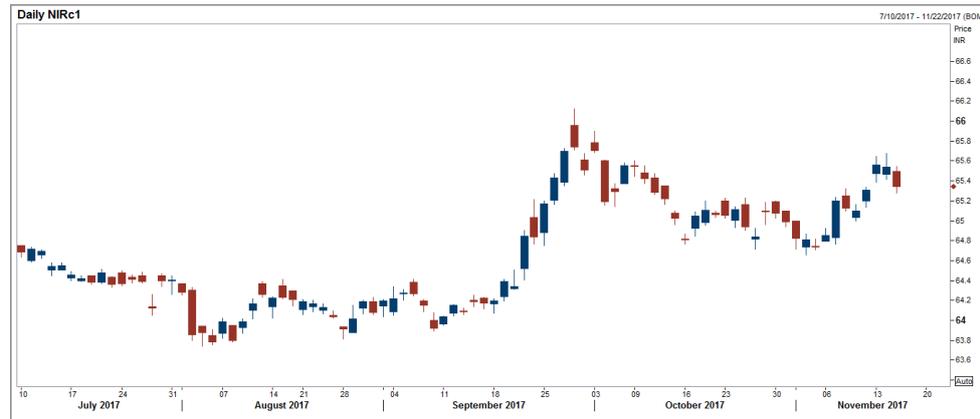
*Call initiation and update messages will be broadcast on iclick-2-gain"

FII Activity

| Segment | Gross Purchase | Gross Sale | Net (₹crore) |
|---------|----------------|------------|--------------|
| Equity | 7564.20 | 5733.42 | 1830.78 |
| Debt | 1591.20 | 1746.32 | -155.12 |

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) | 65.36 | 65.24 | 65.10 | 65.50 | 65.62 |
| US\$ - INR (December) | 65.57 | 65.44 | 65.27 | 65.74 | 65.87 |
| EUR - INR (November) | 76.98 | 76.78 | 76.64 | 77.12 | 77.31 |
| EUR - INR (December) | 77.38 | 77.13 | 76.96 | 77.54 | 77.79 |
| GBP - INR (November) | 86.14 | 85.97 | 85.69 | 86.42 | 86.58 |
| GBP - INR (December) | 86.50 | 86.34 | 86.06 | 86.78 | 86.93 |
| JPY - INR (November) | 57.77 | 57.60 | 57.45 | 57.92 | 58.10 |
| JPY - INR (December) | 58.05 | 57.90 | 57.75 | 58.20 | 58.36 |

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

| Date | Contract | View | Strategy | Rec. | Target | SL | (P/L)* | Comment |
|-----------|------------------|------|-------------|-------|--------|-------|--------|---------------|
| 16-Nov-17 | November USD/INR | Sell | Sell future | 65.35 | 65.50 | 65.05 | 0 | Not initiated |

(*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



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