

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.79	6.79
US 10 year	1.83	1.85
Eur 10 year	0.16	0.17
UK 10 year	1.25	1.26
JPY 10 year	-0.05	-0.04

RBI reference rate

	Close		% change
	28-10-2016	27-10-2016	
USD/INR	66.86	66.89	-0.04
EUR/INR	72.91	72.94	-0.04
GBP/INR	81.30	81.69	-0.48
YEN/INR	63.44	63.93	-0.77

Spot

Spot	Close	Prev close	% change
Rupee	66.78	66.87	-0.13
Dollar index	98.45	98.35	0.10
Euro	1.0981	1.0985	-0.04
British pound	1.2242	1.2185	0.47
Japanese Yen	104.82	104.74	0.08
Australian (\$)	0.7609	0.7599	0.13
Swiss Franc	0.989	0.9881	0.09

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
Non	67.08	-0.12	1456740	44615	-9.39	-95.23
Dec	67.37	-0.11	167465	5595	-3.61	-90.94
Nov - Dec	-0.29	-	-	39020	-	87.46
Dec - Jan	-0.30	-	-	4334	-	77.46

Global Indices

Indices	Close	Prev close	% change
Dow Jones	18142.42	18161.19	-0.10
Nasdaq	4801.271	4805.593	-0.09
FTSE	6954.22	6996.26	-0.60
DAX	10665.01	10696.19	-0.29
Hang Sang	23254.88	22934.54	1.40
Nikkei	17392.17	17425.02	-0.19
SGX Nifty	8626.5	8604	0.26

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1277.21	1275.47	0.14
Copper	220.5	219.35	0.52
Brent crude	48.3	49.71	-2.84

Source: Reuters/Bloomberg for above all exhibits

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Debt market

- Government bond yields posted biggest weekly gain in two months, as strong economic data that led to a surge in US treasury yields and concerns over liquidity dented investors' appetite for risk assets
- The benchmark 6.97% bond maturing in 2026 ended at ₹ 101.24 from ₹ 101.27 on the previous day
- The benchmark 6.97% 2026 bond yield remained unchanged at 6.79%.

Forex (US\$/INR)

- The rupee posted its first weekly gain in four weeks, as sustained dollar sales by foreign banks helped offset US\$ strength triggered by rising bets of a Federal Reserve rate hike in December.
- The dollar index ended slightly higher on Monday while overall witnessing profit booking from seven-month high levels above 99. Changing equations in US presidential election outcome also weighed on the recent surge in the US dollar

Equity

- Equity benchmarks ended marginally higher amid a choppy trading session while a special Muhurat trading session on Sunday saw benchmark pare some gains.
- The Sensex ended 25 points higher or 0.09% to 27941 while the Nifty rose 22 points or 0.26% to shut shop at 8638
- Broader markets outperformed the benchmarks in lacklustre trade as the BSE midcap and small cap indices rose 0.95% each. As a result, the overall market breadth was negative with an A/D ratio of 1:1.5 on BSE

Commodities Market

- Crude oil prices fell sharply on Monday on expectations of rising US oil inventory last week. Bloomberg survey expects further addition of 1.5 million barrels to US stocks. Also, Opec members failed on Friday to fix any supply quotas due to rising discord among members
- Gold prices remain steady as rising US FOMC December rate hike prospects and changing equations in US presidential elections outcome expectation is keeping gold on the edge

US\$/INR derivatives strategy: Sell November Contract

- In the currency futures market, the most traded dollar-rupee November contract on the NSE ended at 67.08. The November contract open interest fell 9.39% from the previous day
- December contract open interest fell 3.61% from the previous day
- We expect the US\$ to meet supply pressure at higher levels. Utilise upsides in the dollar to go shorts on the US\$/INR pair

Intra-day strategy

US\$/INR November futures contract (NSE)

Sell US\$/INR in the range of 67.10 - 67.20
Target: 66.85 / 66.65
Support
S1 / S2: 66.90/66.70

View: Bearish on US\$/INR

Market Lot: US\$1000
Stop Loss: 67.30
Resistance
R 1/R 2:67.20/67.40

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	6222.50	7331.33	-1108.83
Debt	631.27	1079.31	-448.04

Source: SEBI, CDSL

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



Source: Reuters, ICICIdirect.com Research

Exhibit 2: Pivot Levels (NSE)

Futures	Pivot	S1	S2	R1	R2
US\$ - INR (Nov)	67.10	67.00	66.94	67.15	67.25
US\$ - INR (Dec)	67.38	67.29	67.24	67.44	67.53
EUR - INR (Nov)	73.32	73.22	73.16	73.38	73.47
EUR - INR (Dec)	73.70	73.63	73.58	73.74	73.81
GBP - INR (Nov)	81.59	81.13	80.85	81.86	82.32
GBP - INR (Dec)	81.97	81.57	81.33	82.21	82.61
JPY - INR (Nov)	63.79	63.60	63.47	63.92	64.11
JPY - INR (Dec)	64.07	63.88	63.76	64.19	64.38

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
28-0 ct-16	November	Buy	Buy Fut	67.05	67.40	66.90	0	Exit at cost

(*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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