

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.82	6.79
US 10 year	1.83	1.83
Eur 10 year	0.18	0.16
UK 10 year	1.28	1.25
JPY 10 year	-0.05	-0.05

RBI reference rate

	Close		% change
	01-11-2016	28-10-2016	
USD/INR	66.71	66.86	-0.21
EUR/INR	73.18	72.91	0.37
GBP/INR	81.56	81.30	0.32
YEN/INR	63.68	63.44	0.38

Spot

Spot	Close	Prev close	% change
Rupee	66.72	66.78	-0.09
Dollar index	97.70	98.45	-0.76
Euro	1.1055	1.0981	0.67
British pound	1.2243	1.2242	0.01
Japanese Yen	104.15	104.82	-0.64
Australian (\$)	0.7652	0.7609	0.57
Swiss Franc	0.9754	0.989	-1.38

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
Non	66.99	-0.13	1448018	535442	-0.60	1100.14
Dec	67.26	-0.16	177379	36018	5.92	543.75
Nov - Dec	-0.27	-	-	499424	-	93.27
Dec - Jan	-0.29	-	-	20949	-	58.16

Global Indices

Indices	Close	Prev close	% change
Dow Jones	18037.1	18142.42	-0.58
Nasdaq	4766.937	4801.271	-0.72
FTSE	6917.14	6954.22	-0.53
DAX	10526.16	10665.01	-1.30
Hang Sang	22859.29	23147.07	-1.24
Nikkei	17175.64	17442.4	-1.53
SGX Nifty	8566	8649	-0.96

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1288.2	1277.21	0.86
Copper	222.9	220.5	1.09
Brent crude	48.14	48.3	-0.33

Source: Reuters/Bloomberg for above all exhibits

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Debt market

- Government bonds fell for a third day, with the benchmark note hitting over a one-month low, as investors remained cautious ahead of the outcome of the US Federal Reserve's two-day policy meeting today
- The benchmark 6.97% bond maturing in 2026 ended at ₹ 101.08 from ₹ 101.24 on the previous day
- The benchmark 6.97% 2026 bond yield rose to 6.82% from 6.79% on the previous day

Forex (US\$/INR)

- The rupee rose to a two-week high against the dollar, as caution ahead of the US Federal Reserve policy meeting outcome and uncertainty over presidential elections after a fresh probe into Democrat candidate Hillary Clinton's use of private e-mail servers pressurised the US\$
- The dollar index ended lower as rising uncertainties on US presidential election outcome supported gains of safe haven currencies like Yen and Swiss franc amid moderately higher US economic data

Equity

- Equity benchmarks began Samvat 2073 on a flat note amid caution ahead of the US FOMC meet, which concludes on Wednesday and the US presidential elections scheduled next week
- The Sensex ended lower by 53 points or 0.19% to 27876 while the Nifty ended virtually unchanged to finish at 8626
- Broader markets were subject to profit bookings after two days of strong up move as the BSE midcap and small cap indices ended ~0.20% lower. As a result, the overall market breadth was tilted in favour of declines

Commodities Market

- Crude oil prices continued to drift lower on Tuesday post Monday's sharp selling. Expectations on a rise in US oil inventories and rising discord among Opec members on individual supply quotas is weighing on oil prices on any meaningful rallies
- Gold prices rose for a fifth session as rising odds in favour of Republican candidate in a recent rise in uncertainty on US presidential election outcome is supporting safe haven assets

US\$/INR derivatives strategy: Sell November Contract

- In the currency futures market, the most traded dollar-rupee November contract on the NSE ended at 66.99. The November contract open interest fell 0.60% from the previous day
- December contract open interest rose 5.92% 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)	View: Bearish on US\$/INR
Sell US\$/INR in the range of 67.15 - 67.25	Market Lot: US\$1000
Target: 66.95 / 66.75	Stop Loss: 67.35
Support	Resistance
S1/ S2: 66.90/66.70	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	4701.75	5569.44	-867.69
Debt	731.61	1837.10	-1105.49

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)	66.98	66.94	66.89	67.03	67.08
US\$ - INR (Dec)	67.27	67.23	67.19	67.32	67.36
EUR - INR (Nov)	73.65	73.52	73.30	73.87	73.99
EUR - INR (Dec)	74.03	73.92	73.73	74.22	74.33
GBP - INR (Nov)	82.11	81.91	81.71	82.31	82.51
GBP - INR (Dec)	82.51	82.32	82.13	82.69	82.89
JPY - INR (Nov)	63.86	63.75	63.63	63.98	64.10
JPY - INR (Dec)	64.17	64.07	63.97	64.28	64.38

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
1-Nov-16	November USD/INR	Sell	Sell Fut	67.15	66.75	67.30	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 paise 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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