

**Treasury yields**

	Closing yield%	Previous yield %
India 10 year	6.22	6.25
US 10 year	2.45	2.38
Eur 10 year	0.37	0.28
UK 10 year	1.50	1.42
JPY 10 year	0.03	0.03

**RBI reference rate**

	Close		% change
	01-12-2016	30-11-2016	
USD/INR	68.37	68.53	-0.22
EUR/INR	72.63	72.84	-0.30
GBP/INR	85.70	85.53	0.19
YEN/INR	60.01	60.79	-1.28

**Spot**

Spot	Close	Prev close	% change
Rupee	68.35	68.39	-0.06
Dollar index	101.04	101.50	-0.45
Euro	1.0661	1.0589	0.68
British pound	1.2591	1.2506	0.68
Japanese Yen	114.1	114.46	-0.31
Australian (\$)	0.7415	0.7385	0.41
Swiss Franc	1.0106	1.0173	-0.66

**Currency futures (US\$/₹, NSE)**

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
Dec	68.50	-0.09	1524998	861437	-0.64	-47.42
Jan	68.77	-0.07	299902	60581	3.52	-54.23
Dec-Jan	-0.27	-	-	800856	-	92.97
Jan-Feb	-0.18	-	-	57166	-	94.36

**Global Indices**

Indices	Close	Prev close	% change
Dow Jones	19191.93	19123.58	0.36
Nasdaq	4734.096	4810.814	-1.59
FTSE	6752.93	6783.79	-0.45
DAX	10534.05	10640.3	-1.00
Hang Sang	22652.47	22878.23	-0.99
Nikkei	18410.25	18513.12	-0.56
SGX Nifty	8163.5	8213	-0.60

\* Asian market as at 08.00 am

**Commodities**

	Close	Prev close	% change
Gold	1171.69	1173.2	-0.13
Copper	263.15	262.15	0.38
Brent crude	53.94	50.47	6.88

Source: Reuters, Bloomberg, CdsI for above all exhibits

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**Debt market**

- Government bonds rose for a second day, as expectations the central bank may lower interest rates next week spurred demand. Market expectations are of 25-50 bps cut as demonetisation has led to growth disruption amid disinflationary expectations
- The benchmark 6.97% bond maturing in 2026 ended at ₹ 105.47 against ₹ 105.24 the previous day
- The benchmark 6.97% 2026 bond yield fell to 6.22% from 6.25% in the previous day

**Forex (US\$/INR)**

- The rupee rose to a more-than-one-week high against the dollar, amid increasing expectations of interest rate cut along with consolidation seen in US\$ ahead of crucial employment data
- The US\$ index witnessed profit booking at higher levels from recent surge. Traders remain in profit booking mode ahead of today's US employment data and also Sunday's Italy referendum, which remains a risk event. GBP continue to gain from lower levels as near term Brexit news has already been priced in

**Equity**

- Equity benchmarks snapped a four day rising streak and settled lower on Thursday after GDP, announced on Wednesday, grew lower than expected in the September quarter at 7.3%
- The Sensex pared 92 points or 0.35% to end at 26559 while the Nifty shed 31 points or 0.38% to shut shop at 8192
- Broader markets bore deeper cuts as the BSE midcap and small cap indices fell 1.15% and 0.64%, respectively. As a result, the overall market breadth was negative with an A/D ratio of 1:1.4 on the BSE

**Commodities Market**

- Crude oil prices posted gain in yet another session gaining over 6%. Opec has collectively agreed to cut output by 1.2 mbpd to limit the group output to 32.5 mbpd. The first coordinated action in eight years is expected to support crude oil prices in the near term
- Gold prices continue to slide lower testing almost 10-months lows just above supports of \$1170/oz. Redemptions in gold ETFs for consecutive 14-session is adding to pressure on gold prices. Domestic curbs on black money in India are also expected to weigh on physical gold demand from India in the near term

**US\$/INR derivatives strategy: Sell December Contract**

- In the currency futures market, the most traded dollar-rupee December contract on the NSE ended at 68.50. The December contract open interest fell 0.64% from the previous day
- January contract open interest rose 3.52% from the previous day
- We expect the US\$ to meet supply pressure at higher levels. Utilise upsides in the dollar to go short on the US\$/INR pair

**Intra-day strategy**

US\$/INR December futures contract (NSE)	View: Bearish on US\$/INR
Sell US\$/INR in the range of 68.50 - 68.60	Market Lot: US\$1000
Target: 68.20 / 68.00	Stop Loss: 68.70
Support	Resistance
S1/ S2: 68.35/68.15	R1/R2:68.55/68.75

Source: Company, ICICIdirect.com Research

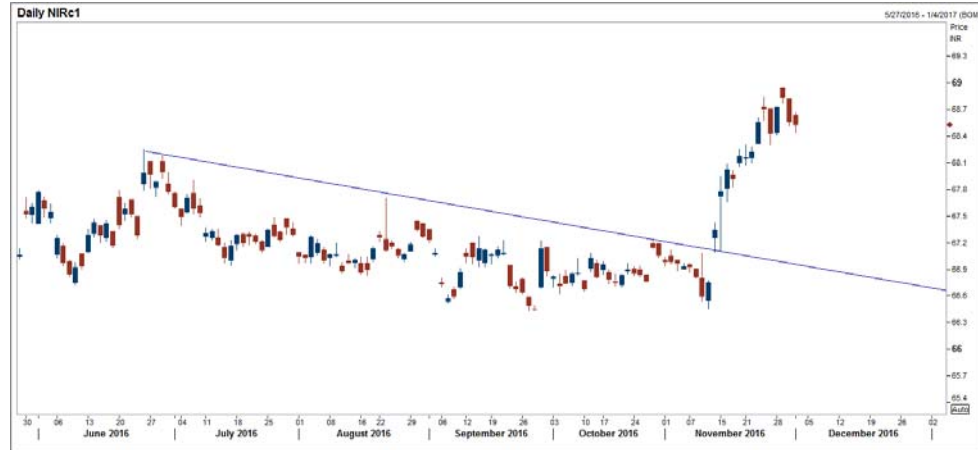
\*Call initiation and update messages will be broadcast on iclick-2-gain"

**FII Activity**

Segment	Gross Purchase	Gross Sale	Net (₹ crore)
Equity	14573.16	14933.55	-360.39
Debt	2719.01	2275.74	443.27

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 (Dec)	68.53	68.40	68.31	68.62	68.74
US\$ - INR (Jan)	68.77	68.65	68.57	68.86	68.98
EUR - INR (Dec)	72.81	72.69	72.55	72.95	73.07
EUR - INR (Jan)	73.07	72.95	72.79	73.23	73.35
GBP - INR (Dec)	86.25	85.90	85.33	86.83	87.18
GBP - INR (Jan)	86.49	86.10	85.44	87.14	87.53
JPY - INR (Dec)	60.22	59.85	59.63	60.44	60.81
JPY - INR (Jan)	60.53	60.16	59.92	60.77	61.14

Source: NSE, ICICIdirect.com Research

**Exhibit 3: Strategy follow up**

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
1-Dec-16	December	Buy	Buy Fut	68.50	68.90	68.35	-15	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



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