

**Treasury yields**

	Closing yield%	Previous yield %
India 10 year	6.82	6.82
US 10 year	1.80	1.83
Eur 10 year	0.13	0.18
UK 10 year	1.17	1.28
JPY 10 year	-0.06	-0.05

**RBI reference rate**

	Close		% change
	02-11-2016	01-11-2016	
USD/INR	66.83	66.71	0.17
EUR/INR	73.95	73.18	1.06
GBP/INR	81.89	81.56	0.40
YEN/INR	64.37	63.68	1.08

**Spot**

Spot	Close	Prev close	% change
Rupee	66.72	66.72	0.00
Dollar index	97.40	97.70	-0.31
Euro	1.1098	1.1055	0.39
British pound	1.2304	1.2243	0.50
Japanese Yen	103.3	104.15	-0.82
Australian (\$)	0.7661	0.7652	0.12
Swiss Franc	0.9732	0.9754	-0.23

**Currency futures (US\$/₹, NSE)**

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
Non	66.97	-0.03	1571840	776447	8.55	45.01
Dec	67.27	0.01	186745	42938	5.28	19.21
Nov - Dec	-0.30	-	-	733509	-	94.47
Dec - Jan	-0.31	-	-	2597	-	6.05

**Global Indices**

Indices	Close	Prev close	% change
Dow Jones	17959.64	18037.1	-0.43
Nasdaq	4726.907	4766.937	-0.84
FTSE	6845.42	6917.14	-1.04
DAX	10370.93	10526.16	-1.47
Hang Sang	22746.7	22810.5	-1.24
Nikkei	17134.68	17442.4	-1.96
SGX Nifty	8516	8538	-0.96

\* Asian market as at 08.00 am

**Commodities**

	Close	Prev close	% change
Gold	1296.81	1288.2	0.67
Copper	223.05	222.9	0.07
Brent crude	46.86	48.14	-2.66

Source: Reuters/Bloomberg for above all exhibits

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**Debt market**

- Government bonds ended little changed, as investors deferred purchases ahead of the US Federal Reserve's policy decision and next week's key presidential election in the world's largest economy
- The benchmark 6.97% bond maturing in 2026 ended at ₹ 101.09 from ₹ 101.08 on the previous day
- The benchmark 6.97% 2026 bond yield remained unchanged at 6.82% from the previous day

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

- The rupee remained unchanged from the previous day as gains from a weaker US\$ were mitigated due to profit booking in domestic equities
- The dollar index ended lower as rising uncertainties on the US presidential election outcome supported gains of safe haven currencies like Yen and Swiss franc. The US Fed maintained interest rates in the November FOMC meeting while reiterating on a rate hike soon if economic conditions continue to improve

**Equity**

- Equity benchmarks ended over 1% lower on Wednesday tracking a sell-off across global equities triggered by growing uncertainty over the US presidential elections and ahead of the outcome of US FOMC meet which concludes later in the day
- The Sensex fell 349 points or 1.25% to 27527 while the Nifty was down 112 points or 1.30% to 8514 levels
- The broader markets also fell in line with the benchmarks as the BSE midcap and small cap indices lost 1.84% each

**Commodities Market**

- Crude oil prices sharply drifted lower on a massive increase of 14.4 million barrels of stocks in US inventories as per EIA weekly data. Also, Iran, Iraq and Libya continued to pump higher oil to make up for lost oil supply share weighing on crude oil prices
- Gold prices continued their winning streak as rising uncertainty on the outcome of US presidential elections and a soft US dollar supported demand for 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 66.97. The November contract open interest rose 8.55% from the previous day
- December contract open interest rose 5.28% 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 67.05 - 67.15  
Target: 66.85 / 66.65  
Support  
S1/ S2: 66.80/66.60

**View: Bearish on US\$/INR**

Market Lot: US\$1000  
Stop Loss: 67.25  
Resistance  
R 1/R 2: 67.10/67.30

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	4930.89	5026.88	-95.99
Debt	1323.08	1010.85	312.23

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)	67.02	66.93	66.87	67.08	67.17
US\$ - INR (Dec)	67.31	67.22	67.17	67.36	67.45
EUR - INR (Nov)	74.29	74.14	74.01	74.42	74.56
EUR - INR (Dec)	74.66	74.54	74.44	74.76	74.88
GBP - INR (Nov)	82.29	82.17	81.96	82.51	82.63
GBP - INR (Dec)	82.72	82.58	82.36	82.94	83.09
JPY - INR (Nov)	64.72	64.60	64.42	64.90	65.01
JPY - INR (Dec)	65.01	64.90	64.72	65.19	65.31

Source: NSE, ICICIdirect.com Research

### Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
2-Nov-16	November USD/INR	Sell	Sell Fut	67.20	66.85	67.35	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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