

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.82	6.82
US 10 year	1.81	1.80
Eur 10 year	0.16	0.13
UK 10 year	1.20	1.17
JPY 10 year	-0.06	-0.06

RBI reference rate

	Close		% change
	03-11-2016	02-11-2016	
USD/INR	66.69	66.83	-0.20
EUR/INR	74.15	73.95	0.27
GBP/INR	82.25	81.89	0.44
YEN/INR	64.95	64.37	0.90

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	0.00	1649629	680786	4.95	-12.32
Dec	67.26	-0.01	214519	72218	14.87	68.19
Nov - Dec	-0.29	-	-	608568	-	89.39
Dec - Jan	-0.32	-	-	48677	-	67.40

Global Indices

Indices	Close	Prev close	% change
Dow Jones	17930.67	17959.64	-0.16
Nasdaq	4679.103	4726.907	-1.01
FTSE	6790.51	6845.42	-0.80
DAX	10325.88	10370.93	-0.43
Hang Sang	22710.14	22683.51	0.12
Nikkei	16893.01	17134.68	-1.41
SGX Nifty	8488.5	8519	-0.36

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1302.7	1296.81	0.45
Copper	224.9	223.05	0.83
Brent crude	46.35	46.86	-1.09

Source: Reuters/Bloomberg for above all exhibits

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Debt market

- Government bonds fell, as caution ahead of next week's US presidential election and a weekly debt auction today damped demand for debt
- The benchmark 6.97% bond maturing in 2026 ended at ₹ 101.03 from ₹ 101.09 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 continue to trade in very narrow range as market participants remained wary ahead of crucial US October employment data today ahead of the US Presidential elections next week
- The dollar index ended lower as rising uncertainties on the US presidential election outcome supported gains in safe haven currencies like Yen and Swiss franc. US December rate hike probability has fallen slightly to 69% from 72% since the growing tie between the two presidential candidates

Equity

- Benchmark indices ended at a four-month low on Thursday as persistent selling by foreign funds amid growing uncertainty over US Presidential elections weighed on sentiments
- The Sensex fell 96 points or 0.35% to 27430 while the Nifty was down 29 points or 0.34% to end below the crucial 8500 mark at 8484
- Profit booking intensified across the broader markets as BSE midcap and small cap indices ended over 1% lower. As a result, the overall market breadth was negative with an A/D ratio of 1:1.5

Commodities Market

- Crude oil prices continue to slide in yesterday's session. Rising stocks in the US coupled with growing scepticism over an Opec output deal is weighing on crude oil prices on any meaningful rallies
- Gold prices continued their winning streak as rising uncertainty on the outcome of US presidential elections is giving support to safe haven demand for precious metal

US\$/INR derivatives strategy: Buy November Contract

- In the currency futures market, the most traded dollar-rupee November contract on the NSE ended unchanged at 66.97. The November contract open interest rose 4.95% from the previous day
- December contract open interest rose 14.87% from the previous day
- We expect the US\$ to gain support at lower levels. Utilise downsides in the dollar to go long on the US\$/INR pair

Intra-day strategy

US\$/INR November futures contract (NSE)	View: Bullish on US\$/INR
Buy US\$/INR in the range of 66.75 - 66.85	Market Lot: US\$1000
Target: 67.10 / 67.30	Stop Loss: 66.65
Support	Resistance
S1 / S2: 66.80/66.60	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	3695.41	4309.18	-613.77
Debt	723.30	603.06	120.24

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 (Nov)	66.95	66.90	66.83	67.02	67.07
US\$ - INR (Dec)	67.25	67.19	67.11	67.32	67.39
EUR - INR (Nov)	74.29	74.09	73.97	74.41	74.60
EUR - INR (Dec)	74.68	74.51	74.40	74.79	74.95
GBP - INR (Nov)	83.09	82.68	82.10	83.67	84.08
GBP - INR (Dec)	83.46	83.12	82.57	84.02	84.36
JPY - INR (Nov)	65.00	64.75	64.60	65.16	65.41
JPY - INR (Dec)	65.33	65.10	64.95	65.47	65.70

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
3-Nov-16	November USD/INR	Sell	Sell Fut	67.10	66.75	67.25	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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