

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.24	6.22
US 10 year	2.38	2.45
Eur 10 year	0.28	0.37
UK 10 year	1.38	1.50
JPY 10 year	0.04	0.03

RBI reference rate

	Close		% change
	02-12-2016	01-12-2016	
USD/INR	68.37	68.37	-0.01
EUR/INR	73.04	72.63	0.57
GBP/INR	86.28	85.70	0.68
YEN/INR	59.96	60.01	-0.08

Spot

Spot	Close	Prev close	% change
Rupee	68.23	68.35	-0.18
Dollar index	100.77	101.04	-0.27
Euro	1.0664	1.0661	0.03
British pound	1.2729	1.2591	1.10
Japanese Yen	113.51	114.1	-0.52
Australian (\$)	0.7457	0.7415	0.57
Swiss Franc	1.0111	1.0106	0.05

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
Dec	68.35	-0.22	1489290	861713	-2.34	0.03
Jan	68.59	-0.26	320457	79082	6.85	30.54
Dec-Jan	-0.24	-	-	782631	-	90.82
Jan-Feb	-0.21	-	-	77095	-	97.49

Global Indices

Indices	Close	Prev close	% change
Dow Jones	19170.42	19191.93	-0.11
Nasdaq	4739.373	4734.096	0.11
FTSE	6730.72	6752.93	-0.33
DAX	10513.35	10534.05	-0.20
Hang Sang	22575.62	22564.82	0.05
Nikkei	18315.12	18426.08	-0.60
SGX Nifty	8112.5	8114	-0.02

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1177.43	1171.69	0.49
Copper	261.5	263.15	-0.63
Brent crude	54.46	53.94	0.96

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds fell for the first time in three days, after the government increased the limit of debt securities that can be sold under the market stabilisation scheme (MSS) to curb excess liquidity with banks following the demonetisation drive
- The benchmark 6.97% bond maturing in 2026 ended at ₹ 105.25 against ₹ 105.47 the previous day
- The benchmark 6.97% 2026 bond yield rose to 6.24% from 6.22% in the previous day

Forex (US\$/INR)

- The rupee posted decent gains against the dollar, as the central bank's move to curb excess liquidity stemming from demonetisation boosted the rupee prospects. US\$ also consolidated against major currencies ahead of Sunday's Italian referendum
- US\$ index saw profit booking at higher levels from recent surge. Traders took profit ahead of the Italian referendum while US employment data was little less encouraging to support higher gains in US\$

Equity

- Equity benchmarks ended lower for a second consecutive session amid profit booking ahead of the release of US monthly jobs data, a referendum in Italy over its constitution on Sunday and the RBI's monetary policy review next week
- The Sensex fell 329 points or 1.24% to end at 26230 while the Nifty plunged 106 points or 1.30% to 8086 levels
- Broader markets also fell in line with the benchmarks as the BSE midcap and small cap indices fell ~1.25% each. The overall market breadth was negative with an A/D ratio of 1:2 on the BSE

Commodities Market

- Crude oil prices continue post moderate gains. Crude oil prices were supported by the Opec decision to limit cartel supply, a first coordinated decision in eight years. However, operating oil rigs in the US increased on Friday suggesting more production coming online as prices support higher supplies
- Gold prices gained slightly near supports of \$1170/Oz. Uncertainty created by the Italian Referendum and mixed US employment data supported the safe haven appeal of gold. Unemployment fell to 4.6% while non farm payrolls was at 178000

US\$/INR derivatives strategy: Buy December Contract

- In the currency futures market, the most traded dollar-rupee December contract on the NSE ended at 68.35. The December contract open interest fell 2.34% from the previous day
- January contract open interest rose 6.85% 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 December futures contract (NSE)	View: Bullish on US\$INR
Buy US\$INR in the range of 68.15 - 68.25	Market Lot: US\$1000
Target: 68.55 / 68.85	Stop Loss: 68.05
Support	Resistance
S1/ S2: 68.20/68.00	R1/R2:68.55/68.75

Source: Company, ICICIdirect.com Research

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

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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