

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.80	6.84
US 10 year	1.85	1.83
Eur 10 year	0.19	0.15
UK 10 year	1.24	1.20
JPY 10 year	-0.06	-0.05

RBI reference rate

	Close		% change
	08-11-2016	07-11-2016	
USD/INR	66.71	66.73	-0.03
EUR/INR	73.65	73.84	-0.26
GBP/INR	82.71	82.93	-0.27
YEN/INR	63.91	63.88	0.05

Spot

Spot	Close	Prev close	% change
Rupee	66.62	66.74	-0.18
Dollar index	97.86	97.78	0.08
Euro	1.1026	1.1041	-0.14
British pound	1.2379	1.2396	-0.14
Japanese Yen	105.16	104.46	0.67
Australian (\$)	0.7762	0.7728	0.44
Swiss Franc	0.9779	0.9743	0.37

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
Nov	66.78	-0.24	1683739	535222	2.57	16.81
Dec	67.10	-0.21	268060	80505	11.41	64.94
Nov - Dec	-0.32	-	-	454717	-	84.96
Dec - Jan	-0.33	-	-	76167	-	94.61

Global Indices

Indices	Close	Prev close	% change
Dow Jones	18332.74	18259.6	0.40
Nasdaq	4804.92	4773.729	0.65
FTSE	6843.13	6806.9	0.53
DAX	10482.32	10456.95	0.24
Hang Sang	22424.07	22909.47	-2.12
Nikkei	16906.9	17171.38	-1.54
SGX Nifty	8299.5	8558	-3.02

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1275.68	1281.64	-0.47
Copper	238	230.95	3.05
Brent crude	46.04	46.15	-0.24

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds rose, as bets that Democratic nominee Hillary Clinton is likely to win the US presidential election boosted demand for emerging market assets. However, as of now, the Republican candidate is in the lead against major market expectations
- The benchmark 6.97% bond maturing in 2026 ended at ₹ 101.22 from ₹ 100.95 on the previous day
- The benchmark 6.97% 2026 bond yield fell to 6.80% from 6.84% previous day

Forex (US\$/INR)

- The rupee ended at a four-week high against the dollar in yesterday's trade on higher risk appetite ahead of US presidential election
- The dollar index ended higher at 97.86 in yesterday's trade. Currently, the US\$ has come under profit booking as the Republican candidate is gaining a lead over the Democrat candidate against market expectations

Equity

- Benchmark indices gained for second session in a row amid reaction to a slew of corporate earnings while investors stepped up caution ahead of US Presidential election outcome
- The Sensex gained 133 points or 0.5% to 27589 while the Nifty gained 46 points or 0.55% to 8543
- Broader markets performed relatively in tandem with benchmarks as the BSE midcap, small cap indices gained 0.45% and 0.15%, respectively. The overall market breadth was slightly tilted in favour of declines

Commodities Market

- Crude oil prices remained in range as higher stocks and expected results of US elections kept traders on the edge. Discord among Opec producers on fixing supply limit quota is weighing on any surge in price
- Gold prices tumbled on Tuesday ahead of Election day in the US. However, prices are currently trading higher as the Republican candidate is ahead of the Democrat candidate as of now supports safe haven asset

US\$/INR derivatives strategy: Buy November Contract

- In the currency futures market, the most traded dollar-rupee November contract on the NSE ended at 66.78. The November contract open interest rose 2.57% from the previous day
- December contract open interest rose 11.41% from the previous day
- We expect the US\$ to gain support against rupee 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 66.70 - 66.80	Market Lot: US\$1000
Target: 67.00 / 67.20	Stop Loss: 66.60
Support	Resistance
S1/ S2: 66.70/66.50	R1/R2:67.00/67.20

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	4281.93	4090.43	191.50
Debt	768.42	650.45	117.97

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)	66.84	66.77	66.73	66.89	66.96
US\$ - INR (Dec)	67.14	67.07	67.03	67.18	67.25
EUR - INR (Nov)	73.92	73.77	73.67	74.01	74.16
EUR - INR (Dec)	74.32	74.18	74.10	74.40	74.54
GBP - INR (Nov)	83.04	82.82	82.67	83.19	83.41
GBP - INR (Dec)	83.48	83.25	83.11	83.62	83.84
JPY - INR (Nov)	63.96	63.77	63.65	64.07	64.27
JPY - INR (Dec)	64.30	64.11	63.97	64.43	64.62

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
8-Nov-16	November	Buy	Buy Fut	66.80	67.10	66.65	0	Exit at cost

(*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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