

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.67	6.80
US 10 year	2.06	1.85
Eur 10 year	0.20	0.19
UK 10 year	1.26	1.24
JPY 10 year	-0.07	-0.06

RBI reference rate

	Close		% change
	09-11-2016	08-11-2016	
USD/INR	66.80	66.71	0.13
EUR/INR	74.97	73.65	1.79
GBP/INR	83.43	82.71	0.87
YEN/INR	65.05	63.91	1.78

Spot

Spot	Close	Prev close	% change
Rupee	66.44	66.62	-0.28
Dollar index	98.50	97.86	0.66
Euro	1.091	1.1026	-1.05
British pound	1.2406	1.2379	0.22
Japanese Yen	105.67	105.16	0.48
Australian (\$)	0.7635	0.7762	-1.64
Swiss Franc	0.9845	0.9779	0.67

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
Nov	66.59	-0.28	1716653	2083322	1.95	289.24
Dec	66.87	-0.34	311025	168041	16.03	108.73
Nov - Dec	-0.28	-	-	1915281	-	91.93
Dec - Jan	-0.33	-	-	140664	-	83.71

Global Indices

Indices	Close	Prev close	% change
Dow Jones	18589.69	18332.74	1.40
Nasdaq	4825.184	4804.92	0.42
FTSE	6911.84	6843.13	1.00
DAX	10646.01	10482.32	1.56
Hang Sang	22825.27	22415.19	1.83
Nikkei	17161.22	16251.54	5.60
SGX Nifty	8500	8454	0.54

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1277.98	1275.68	0.18
Copper	245.95	238	3.34
Brent crude	46.36	46.04	0.70

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds surged for a second day, with the benchmark note hitting a lifetime high, as the government move to cancel high-denomination currency notes is expected to boost banking system liquidity, curb inflation and increase scope further monetary easing
- The benchmark 6.97% bond maturing in 2026 ended at ₹ 102.15 from ₹ 101.22 on the previous day
- The benchmark 6.97% 2026 bond yield fell to 6.67% from 6.80% previous day

Forex (US\$/INR)

- The rupee shrugged off initial losses and rose to a two-month high against the dollar, as stocks recovered as markets expected the Fed to delay a rate hike. The market expected the action taken by the central government on black money to boost the formal economy
- The dollar index ended higher at 98.50 bouncing off from intra-day lows near 96 levels. President elect Donald trump vowed to increase spending on infrastructure, which would boost inflation. A December rate hike probability has increased to 82% supporting gains in the US\$

Equity

- Equity benchmarks overcame huge volatility and recovered sharply from the early session crash to end the session over 1% lower on Wednesday
- The Sensex plunged 1689 points at opening before recovering 1595 points to finally settle at 27252 down 338 points or 1.23%. The Nifty nosedived 541 points at open before recovering 474 points to finally close near high point of the day at 8432, down 111 points or 1.31% for the day
- Broader markets relatively underperformed the markets as the BSE midcap and small cap indices ended down 1.85% and 2.66%, respectively. As a result, the overall market breadth was negative with an A/D ratio of 1:3.5 on the BSE

Commodities Market

- Crude oil prices gained as US president elect Donald Trump vowed to increase spending on infrastructure to boost the economy. Crude oil prices also gained as a risk reversal in equities weighed on safe haven assets and supported risk commodities
- Gold prices traded volatile giving off intra-day gains as investors were calmed after Republican candidate Donald Trump was declared President-elect

US\$/INR derivatives strategy: Sell November Contract

- In the currency futures market, the most traded dollar-rupee November contract on the NSE ended at 66.59. The November contract open interest rose 1.95% from the previous day
- December contract open interest rose 16.03% 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 November futures contract (NSE)	View: Bearish on US\$/INR
Sell US\$/INR in the range of 66.80 - 66.90	Market Lot: US\$1000
Target: 66.55 / 66.35	Stop Loss: 67.00
Support	Resistance
S1/ S2: 66.55/66.35	R 1/R 2:66.85/67.05

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	3848.00	3528.40	319.60
Debt	1062.99	811.25	251.74

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)	66.74	66.39	66.19	66.94	67.28
US\$ - INR (Dec)	67.03	66.68	66.47	67.23	67.58
EUR - INR (Nov)	74.42	73.12	72.26	75.29	76.59
EUR - INR (Dec)	74.81	73.53	72.69	75.65	76.93
GBP - INR (Nov)	83.10	82.10	81.31	83.89	84.88
GBP - INR (Dec)	83.48	82.47	81.67	84.28	85.29
JPY - INR (Nov)	65.00	63.80	62.99	65.81	67.01
JPY - INR (Dec)	65.33	64.11	63.29	66.15	67.36

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
9-Nov-16	November	Buy	Buy Fut	66.75	67.10	66.60	-	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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