

**Treasury yields**

	Closing yield%	Previous yield %
India 10 year	6.45	6.53
US 10 year	2.22	2.22
Eur 10 year	0.30	0.31
UK 10 year	1.38	1.38
JPY 10 year	0.03	0.01

**RBI reference rate**

	Close		% change
	16-11-2016	15-11-2016	
USD/INR	67.78	67.72	0.09
EUR/INR	72.84	72.78	0.09
GBP/INR	84.62	84.42	0.23
YEN/INR	62.12	62.61	-0.78

**Spot**

Spot	Close	Prev close	% change
Rupee	67.95	67.74	0.31
Dollar index	100.41	100.23	0.18
Euro	1.0691	1.0722	-0.29
British pound	1.2443	1.2457	-0.11
Japanese Yen	109.08	109.2	-0.11
Australian (\$)	0.748	0.7559	-1.05
Swiss Franc	1.0019	1.0018	0.01

**Currency futures (US\$/₹, NSE)**

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
Nov	68.07	0.31	2355348	3060636	43.91	-27.15
Dec	68.34	0.34	429869	229188	6.91	-29.18
Nov - Dec	-0.27	-	-	2831448	-	92.51
Dec - Jan	-0.23	-	-	200428	-	87.45

**Global Indices**

Indices	Close	Prev close	% change
Dow Jones	18868.14	18923.06	-0.29
Nasdaq	4792.268	4764.474	0.58
FTSE	6749.72	6792.74	-0.63
DAX	10663.87	10735.14	-0.66
Hang Sang	22318	22280.53	0.17
Nikkei	17849.37	17862.21	-0.07
SGX Nifty	8125.5	8102	0.29

\* Asian market as at 08.00 am

**Commodities**

	Close	Prev close	% change
Gold	1224.99	1228.73	-0.30
Copper	246.75	250.5	-1.50
Brent crude	46.63	46.95	-0.68

Source: Reuters, Bloomberg, CdsI for above all exhibits

**Research Analyst**

Amit Gupta  
amit.gup@icicisecurities.com

Gaurav Shah  
gaurav.shah@icicisecurities.com

**Debt market**

- Government bonds rose for a second day, as a boost to the country's banking system liquidity and easing retail inflation boosted hopes of further rate cuts, lifting demand for debt instruments
- The benchmark 6.97% bond maturing in 2026 ended at ₹ 103.77, at record highs since its issuance against ₹ 103.14 previous day
- The benchmark 6.97% 2026 bond yield fell to 6.44% from 6.53% on the previous day

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

- The rupee fell for a fourth day against the dollar, as US\$ demand from banks and crude oil importers outweighed earlier gains triggered by a pause in global bond rout
- The US\$ continues to strengthen against most currencies. The dollar index ended at 100.41, gaining 0.18%. US December interest rate hike probability is at 94% currently. US President-elect Donald Trump has vowed to increase spending on infrastructure increasing inflationary expectations, which would see the Fed raising rates

**Equity**

- Equity benchmarks ended flat in a range bound trading session with IT heavyweights leading gains after the rupee weakened vs. the US dollar
- The Sensex ended at 26298, down just 5 points while the Nifty shut shop at 8111, up just 3 points. In the broader market space, the BSE midcap index outperformed gaining 0.56% while small caps rose just 0.05%. The overall market breadth was favouring declines

**Commodities Market**

- Crude oil prices continue to hover near \$45/bl coming off from highs of above \$50/bl seen recently. Rising supplies from US and reluctance of Iran and Iraq to participate in supply cuts is expected to cap gains at higher levels
- Gold prices bore the brunt of rising US interest rate hike prospects. Gold ETF witnessed outflows redemptions as increasing rates would lower the appeal of non-interest paying 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 68.07. The November contract open interest rose 43.91% from the previous day
- December contract open interest rose 6.91% 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 67.70 - 67.80	Market Lot: US\$1000
Target: 67.90 / 68.10	Stop Loss: 67.60
Support	Resistance
S1/ S2: 67.75/67.55	R1/R2:68.05/68.25

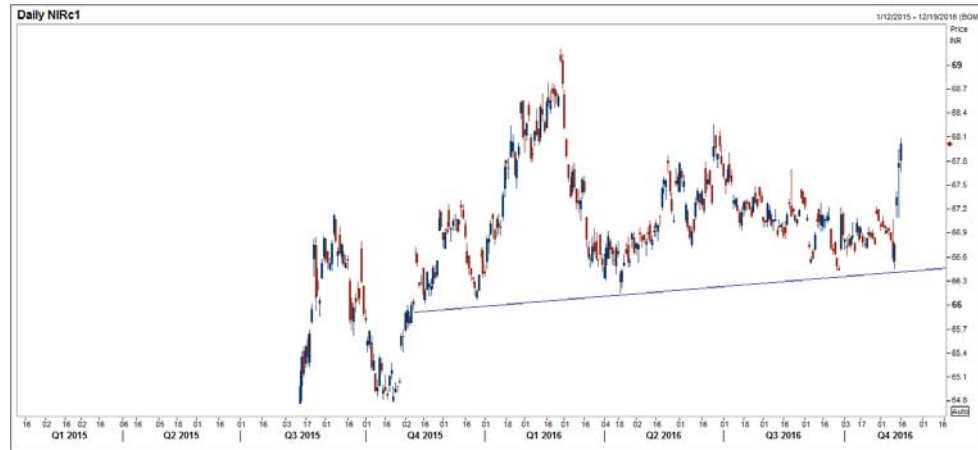
Source: Company, ICICIdirect.com Research  
\*Call initiation and update messages will be broadcast on iclick-2-gain"

### FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹ crore)
Equity	9013.48	11339.18	-2325.70
Debt	1212.21	3502.83	-2290.62

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)	67.92	67.76	67.50	68.18	68.34
US\$ - INR (Dec)	68.20	68.05	67.83	68.42	68.56
EUR - INR (Nov)	72.85	72.68	72.51	73.02	73.19
EUR - INR (Dec)	73.24	73.03	72.84	73.43	73.64
GBP - INR (Nov)	84.58	84.29	84.07	84.81	85.10
GBP - INR (Dec)	84.96	84.68	84.46	85.18	85.46
JPY - INR (Nov)	62.10	61.91	61.76	62.25	62.45
JPY - INR (Dec)	62.46	62.17	61.97	62.65	62.94

Source: NSE, ICICIdirect.com Research

### Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
16-Nov-16	November	Buy	Buy Fut	66.60	68.00	67.45	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



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICIdirect.com Research Desk,  
ICICI Securities Limited,  
1st Floor, Akruiti Trade Centre,  
Road No 7, MIDC  
Andheri (East)  
Mumbai – 400 093  
[research@icicidirect.com](mailto:research@icicidirect.com)

### Disclaimer

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities Ltd (I-Sec). The author may be holding a small number of shares/position in the above-referred companies as on date of release of this report. I-Sec may be holding a small number of shares/position in the above-referred companies as on date of release of this report. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This report may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. I-Sec and affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Actual results may differ materially from those set forth in projections. I-Sec may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject I-Sec and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.