

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.42	6.45
US 10 year	2.30	2.22
Eur 10 year	0.28	0.30
UK 10 year	1.41	1.38
JPY 10 year	0.01	0.03

RBI reference rate

	Close		% change
	17-11-2016	16-11-2016	
USD/INR	67.91	67.78	0.19
EUR/INR	72.56	72.84	-0.38
GBP/INR	84.32	84.62	-0.35
YEN/INR	62.10	62.12	-0.03

Spot

Spot	Close	Prev close	% change
Rupee	67.83	67.95	-0.18
Dollar index	100.89	100.41	0.48
Euro	1.0626	1.0691	-0.61
British pound	1.2417	1.2443	-0.21
Japanese Yen	110.12	109.08	0.95
Australian (\$)	0.7406	0.748	-0.99
Swiss Franc	1.0071	1.0019	0.52

Currency futures (US\$/₹, NSE)

Contracts	LTP	chng (%)	OI	Vol	chng (%)	
					OI	Vol
Nov	67.91	-0.24	2469713	1056993	4.86	-65.46
Dec	68.18	-0.23	437134	110995	1.69	-51.57
Nov - Dec	-0.27	-	-	945998	-	89.50
Dec - Jan	-0.27	-	-	86920	-	78.31

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	1216.42	1224.99	-0.70
Copper	249.1	246.75	0.95
Brent crude	46.49	46.63	-0.30

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 third day, as the government's demonetisation move boosted cash in the country's banking system and raised hopes of further monetary easing
- The benchmark 6.97% bond maturing in 2026 ended at ₹ 103.95, highest since its issuance against ₹ 103.77 the previous day
- The benchmark 6.97% 2026 bond yield fell to 6.42% from 6.45% on the previous day

Forex (US\$/INR)

- The rupee rose for the first time in five sessions against the dollar, as investors awaited Federal Reserve Chair Janet Yellen's Congressional testimony
- The US\$ ended yet another day of gains with the dollar index ending at 100.89. The US Fed chief hinted at raising interest rates soon. October US housing were at a nine-year high at 1.323 million units

Equity

- Benchmark indices settled marginally lower amid volatile trading as muted global cues and profit booking at higher levels kept gains in check
- The Sensex fell 71 points or 0.27% to 26227 while the Nifty was down 31 points or 0.39% to close at 8079
- Broader markets also ended lower as the BSE midcap and small cap indices fell 0.38% and 0.57%, respectively. The overall market breadth was negative with an A/D ratio of 1:1.77 on the BSE

Commodities Market

- Crude oil prices ended lower as rising strength in US\$ weighed on commodities priced in US\$. Also, Iran and Iraq's reluctance to accept supply quotas is weighing on oil prices amid a supply glut
- Gold prices continued to slide lower due to strength in the US\$. Yesterday, the Fed chief hinted at raising US interest rates soon defying market expectations of a pause due to election of Donald Trump as the next US president. Gold tumbled due to its non interest paying asset, lowering its appeal

US\$/INR derivatives strategy: Buy November Contract

- In the currency futures market, the most traded dollar-rupee November contract on the NSE ended at 67.91. The November contract open interest rose 4.86% from the previous day
- December contract open interest rose 1.69% 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 67.90 - 68.00	Market Lot: US\$1000
Target: 68.30/ 68.50	Stop Loss: 67.80
Support	Resistance
S1/ S2: 67.95/67.75	R1/R2:68.30/68.50

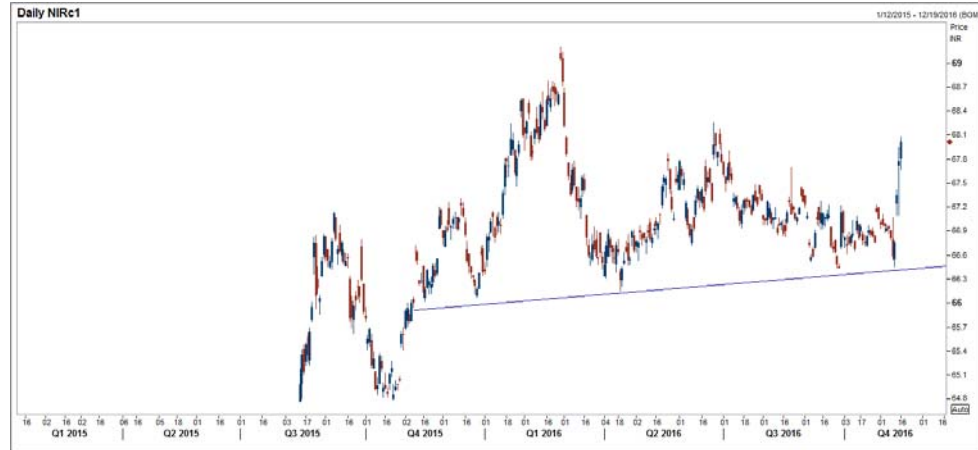
Source: Company, ICICIdirect.com Research
*Call initiation and update messages will be broadcast on iclick-2-gain"

FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹ crore)
Equity	7361.02	9321.27	-1960.25
Debt	1385.14	8430.25	-7045.11

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	67.83	67.74	68.01	68.10
US\$ - INR (Dec)	68.18	68.10	68.01	68.27	68.36
EUR - INR (Nov)	72.87	72.74	72.55	73.06	73.18
EUR - INR (Dec)	73.23	73.09	72.86	73.47	73.61
GBP - INR (Nov)	84.66	84.45	84.16	84.95	85.16
GBP - INR (Dec)	85.02	84.83	84.55	85.30	85.49
JPY - INR (Nov)	62.30	62.14	61.94	62.51	62.67
JPY - INR (Dec)	62.60	62.45	62.25	62.80	62.95

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
17-Nov-16	November	Buy	Buy Fut	66.75	68.00	67.60	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



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

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