

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.76	6.76
US 10 year	1.73	1.76
Eur 10 year	0.01	0.00
UK 10 year	1.09	1.08
JPY 10 year	-0.05	-0.07

RBI reference rate

	Close		% change
	21-10-2016	20-10-2016	
USD/INR	66.89	66.74	0.23
EUR/INR	72.98	73.15	-0.24
GBP/INR	81.96	81.91	0.06
YEN/INR	64.40	64.35	0.08

Spot

Spot	Close	Prev close	% change
Rupee	66.89	66.81	0.12
Dollar index	98.70	98.32	0.39
Euro	1.0884	1.0929	-0.41
British pound	1.2234	1.2254	-0.16
Japanese Yen	103.8	103.95	-0.14
Australian (\$)	0.7608	0.7627	-0.25
Swiss Franc	0.9937	0.9927	0.10

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
Oct	66.91	0.12	1214612	819706	-6.44	2.97
Nov	67.26	0.13	889252	246627	11.01	-8.69
Oct - Nov	-0.35	-	-	573079	-	69.91
Nov - Dec	-0.29	-	-	231685	-	93.94

Global Indices

Indices	Close	Prev close	% change
Dow Jones	18145.71	18162.35	-0.09
Nasdaq	4851.861	4832.71	0.40
FTSE	7020.47	7026.9	-0.09
DAX	10710.73	10701.39	0.09
Hang Sang	23446.11	23374.4	-0.11
Nikkei	17178.29	17184.59	-0.04
SGX Nifty	8710	8702.5	0.09

* Asian market as at 07.30 am

Commodities

	Close	Prev close	% change
Gold	1266.46	1265.76	0.06
Copper	208.85	209.6	-0.36
Brent crude	51.78	51.38	0.78

Source: Reuters/Bloomberg for above all exhibits

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Debt market

- Government bonds traded almost unchanged as investors remained on the sidelines ahead of crucial global events amid expectations of further market operations by the central bank
- The benchmark 6.97% bond maturing in 2026 ended at ₹ 101.49 against the previous close of ₹ 101.48
- The benchmark 6.97% 2026 bond yield remained unchanged at 6.76%

Forex (US\$/INR)

- The rupee pared intra day gains as weakness in the euro against US\$ led to strength in the dollar index. Also, recent outflows in foreign funds continued to create hurdles for further rupee appreciation
- The dollar index ended 0.40% higher at 98.70 level. Weakness in the euro on expectation of rising divergence in monetary policy among the Fed and ECB weighed on the euro that traded at seven-month lows

Equity

- Equity benchmarks ended on a flat note in a range bound trading session as lack of directional cues on the global front and profit booking in oil & gas heavyweight Reliance Industries, post its quarterly results, weighed on sentiments
- The Sensex settled at 28077, down 52 points or 0.19% while the Nifty shut shop at 8693 down 6 points
- Broader markets outperformed the benchmark as the BSE midcap and small cap indices gained 0.31% and 0.10%, respectively. The overall market breadth was flattish

Commodities Market

- Crude oil prices rose slightly on Friday as investors gauged the Opec oil supply deal. Any desicion to cap supply limits would be supportive for oil prices
- Gold prices remained steady and ranged due to rising ETF investments along with US interest rate hike prospects. Upcoming major central banks meetings and US presidential elections remain key event for risk and safe assets

US\$/INR derivatives strategy: Buy October Contract

- In the currency futures market, the most traded dollar-rupee October contract on the NSE ended at 66.91. The October contract open interest fell 6.44% from the previous day
- November contract open interest rose 11.01% from the previous day
- We expect the US\$ to gain supports at lower levels. Utilise downsides in the dollar to go long on the US\$INR pair

Intra-day strategy

US\$INR October futures contract (NSE)

Buy US\$INR in the range of 66.75 - 66.85
Target: 67.00 / 67.20
Support
S1/ S2: 66.70/66.50

View: Bullish on US\$INR

Market Lot: US\$1000
Stop Loss: 66.65
Resistance
R 1/R 2:67.05/67.25

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	3121.81	2780.64	341.17
Debt	2235.64	1270.18	965.46

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 (0 ct)	66.91	66.85	66.79	66.96	67.02
US\$ - INR (Nov)	67.17	67.03	66.81	67.38	67.52
EUR - INR (0 ct)	72.93	72.80	72.69	73.03	73.17
EUR - INR (Nov)	73.37	73.23	73.13	73.47	73.60
GBP - INR (0 ct)	81.85	81.63	81.50	81.98	82.19
GBP - INR (Nov)	82.29	82.08	81.97	82.41	82.62
JPY - INR (0 ct)	64.40	64.27	64.05	64.61	64.74
JPY - INR (Nov)	64.72	64.58	64.34	64.96	65.09

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
21-0 ct-16	October	Buy	Buy Fut	66.85	67.15	66.70	50	Exit in profit

(*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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