

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.28	6.31
US 10 year	2.35	2.31
Eur 10 year	0.26	0.22
UK 10 year	1.45	1.36
JPY 10 year	0.03	0.03

RBI reference rate

	Close		% change
	23-11-2016	22-11-2016	
USD/INR	68.48	68.23	0.36
EUR/INR	72.78	72.43	0.48
GBP/INR	84.97	85.17	-0.24
YEN/INR	61.71	61.46	0.41

Spot

Spot	Close	Prev close	% change
Rupee	68.57	68.26	0.45
Dollar index	101.70	101.04	0.65
Euro	1.0553	1.0627	-0.70
British pound	1.2443	1.2423	0.16
Japanese Yen	112.52	111.14	1.24
Australian (\$)	0.7385	0.7402	-0.23
Swiss Franc	1.0167	1.0113	0.53

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
Nov	68.58	0.47	3433741	2548594	12.82	142.99
Dec	68.79	0.48	621838	362084	15.90	104.25
Nov - Dec	-0.21	-	-	2186510	-	85.79
Dec - Jan	-0.24	-	-	313985	-	86.72

Global Indices

Indices	Close	Prev close	% change
Dow Jones	19083.18	19023.87	0.31
Nasdaq	4853.862	4873.842	-0.41
FTSE	6817.71	6819.72	-0.03
DAX	10662.44	10713.85	-0.48
Hang Sang	22554	22676.69	-0.54
Nikkei	18350.12	18162.94	1.03
SGX Nifty	7961	8008.5	-0.59

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1188.32	1212.32	-1.98
Copper	260.75	254.45	2.48
Brent crude	48.95	49.12	-0.35

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds jumped for a third day and hit fresh record highs, with the benchmark yield falling below the monetary policy rate during the session, amid hopes that government crackdown on illegal cash may lead to monetary easing
- The benchmark 6.97% bond maturing in 2026 ended at ₹ 104.99 against ₹ 104.77 the previous day
- The benchmark 6.97% 2026 bond yield fell to 6.28% from 6.31% in previous day

Forex (US\$/INR)

- The rupee ended near a nine-month low against the dollar, in line with Asian peers, amid concerns over continued foreign fund outflows, after upbeat US economic data bolstered bets the Federal Reserve may raise interest rates next month
- US\$ index continued its upward trend on higher durable goods data and almost a certain rate hike in December. US\$ further strengthened against Japanese Yen on rising monetary divergence. The euro tumbled due to upcoming Italy referendum amid inherent strength in US\$

Equity

- Equity benchmarks posted nominal gains for a second consecutive session amid stock specific action ahead of derivatives expiry on Thursday
- The Sensex was up 91 points or 0.35% to 25960 while the Nifty gained 31 points or 0.39% to close at 8033
- The broader markets continued to outperform the benchmarks in a range bound session. BSE midcap and small cap indices rose 1.22% and 1.54%, respectively. As a result, the overall market breadth was strong with an A/D ratio of 2.88:1 on the BSE

Commodities Market

- Crude oil prices continued their consolidation awaiting the outcome of the scheduled November 30, official Opec meet. Although Iraq has signalled participation in a supply deal, we expect crude to consolidate till a clear consensus emerges from the meeting
- Gold prices fell sharply on Wednesday as an exodus from ETF investments weighed on gold demand. Strength in US\$ and rising yields in developed markets is lowering appeal of non interest paying asset

US\$/INR derivatives strategy: Sell November Contract

- In the currency futures market, the most traded dollar-rupee November contract on the NSE ended at 68.58. The November contract open interest rose 12.82% from the previous day
- December contract open interest rose 15.90% from the previous day
- We expect the US\$ to meet 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 68.45 - 68.55	Market Lot: US\$1000
Target: 68.75 / 68.95	Stop Loss: 68.35
Support	Resistance
S1/ S2: 68.50/68.30	R1/R2:68.70/68.90

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	4447.76	5122.36	-674.60
Debt	1180.79	1825.69	-644.90

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)	68.49	68.38	68.21	68.66	68.77
US\$ - INR (Dec)	68.71	68.61	68.45	68.87	68.96
EUR - INR (Nov)	72.82	72.70	72.51	73.01	73.13
EUR - INR (Dec)	73.06	72.93	72.74	73.25	73.38
GBP - INR (Nov)	84.91	84.77	84.58	85.09	85.23
GBP - INR (Dec)	85.18	85.07	84.90	85.35	85.46
JPY - INR (Nov)	61.71	61.62	61.50	61.83	61.92
JPY - INR (Dec)	61.96	61.89	61.77	62.07	62.15

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
23-Nov-16	November	Buy	Buy Fut	68.20	68.45	68.05	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



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