

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.19	6.28
US 10 year	2.35	2.35
Eur 10 year	0.26	0.26
UK 10 year	1.44	1.45
JPY 10 year	0.03	0.03

RBI reference rate

	Close		% change
	24-11-2016	23-11-2016	
USD/INR	68.66	68.48	0.26
EUR/INR	72.38	72.78	-0.55
GBP/INR	85.36	84.97	0.46
YEN/INR	60.90	61.71	-1.31

Spot

Spot	Close	Prev close	% change
Rupee	68.75	68.57	0.27
Dollar index	101.70	101.70	0.00
Euro	1.0554	1.0553	0.01
British pound	1.2451	1.2443	0.06
Japanese Yen	113.33	112.52	0.72
Australian (\$)	0.7408	0.7385	0.31
Swiss Franc	1.0163	1.0167	-0.04

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
Nov	68.71	0.19	3428094	1628589	-0.16	-36.10
Dec	68.85	0.09	694868	521840	11.74	44.12
Nov - Dec	-0.14	-	-	1106749	-	67.96
Dec - Jan	-0.19	-	-	488096	-	93.53

Global Indices

Indices	Close	Prev close	% change
Dow Jones	19083.18	19023.87	0.31
Nasdaq	4853.862	4873.842	0.41
FTSE	6829.2	6817.71	0.17
DAX	10689.26	10662.44	0.25
Hang Sang	22674.87	22608.49	0.29
Nikkei	18460.88	18333.41	0.70
SGX Nifty	8030	7964.5	0.82

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1181.67	1188.32	-0.56
Copper	260.75	254.45	2.47
Brent crude	49	48.95	0.10

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds extended gains for a fourth day and hit record highs, with the benchmark yield ending below the policy rate of 6.25%, as banks' liquidity surge and rate cut hopes boosted demand for debt
- The benchmark 6.97% bond maturing in 2026 ended at ₹ 105.70 against ₹ 104.99 the previous day
- The benchmark 6.97% 2026 bond yield fell to 6.18% from 6.28% in previous day

Forex (US\$/INR)

- The rupee plummeted to an over-three-year low against the dollar, as concerns about foreign fund outflows intensified amid rising expectations that the US Federal Reserve would soon increase interest rates
- US\$ index rally paused amid profit booking from the recent surge. Japanese Yen continue to weaken against US\$ as an FOMC rate hike becomes almost certain next month. The pace of a further hike in 2017 would provide cues for further strength in US\$ as current expectations are of two rate hikes in 2017

Equity

- Benchmark indices snapped their two-day rising streak and settled lower on the derivatives expiry session on Thursday weighed down by a fall in the rupee to an all-time low of 68.86 against the US dollar amid foreign fund outflows and demonetisation woes
- The Sensex was down 191 points or 0.74% to 25860 while the Nifty shed 67 points or 0.84% to settle at 7965
- Broader markets relatively outperformed the benchmarks as the BSE midcap and small cap indices settled marginally lower by ~0.10% each. As a result, the overall market breadth was marginally positive

Commodities Market

- Crude oil prices continue consolidation awaiting the outcome of the scheduled November 30, official Opec meet. The focus has shifted to Iran and non-Opec member like Russia as Iraq agreed to participate in a supply cut deal
- Gold prices continued to slide as strength in the US\$ amid gains in equity class weighed on safe haven appeal of non interest paying asset. Also, curbs on black money in India could weigh on gold demand in the near term

US\$/INR derivatives strategy: Buy November Contract

- In the currency futures market, the most traded dollar-rupee November contract on the NSE ended at 68.71. The November contract open interest fell 0.16% from the previous day
- December contract open interest rose 11.74% 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 68.50 - 68.60	Market Lot: US\$1000
Target: 68.80 / 69.00	Stop Loss: 68.40
Support	Resistance
S1/ S2: 68.60/68.40	R1/R2:68.85/69.05

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	4235.62	5330.72	-1095.10
Debt	358.04	3302.37	-2944.33

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)	68.70	68.57	68.44	68.83	68.97
US\$ - INR (Dec)	68.89	68.74	68.63	69.00	69.15
EUR - INR (Nov)	72.57	72.41	72.15	72.84	73.00
EUR - INR (Dec)	72.80	72.62	72.39	73.03	73.20
GBP - INR (Nov)	85.60	85.38	84.99	85.99	86.22
GBP - INR (Dec)	85.82	85.64	85.30	86.15	86.34
JPY - INR (Nov)	60.88	60.54	60.26	61.16	61.50
JPY - INR (Dec)	61.13	60.71	60.42	61.42	61.84

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
24-Nov-16	November	Buy	Buy Fut	68.50	68.85	68.35	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



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