

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.77	6.76
US 10 year	1.76	1.76
Eur 10 year	0.03	0.02
UK 10 year	1.09	1.08
JPY 10 year	-0.07	-0.05

RBI reference rate

	Close		% change
	25-10-2016	24-10-2016	
USD/INR	66.88	66.86	0.02
EUR/INR	72.79	72.80	-0.01
GBP/INR	81.77	81.67	0.12
YEN/INR	64.06	64.43	-0.57

Spot

Spot	Close	Prev close	% change
Rupee	66.83	66.85	-0.04
Dollar index	98.72	98.76	-0.04
Euro	1.0889	1.0882	0.06
British pound	1.2188	1.2238	-0.41
Japanese Yen	104.22	104.18	0.04
Australian (\$)	0.7646	0.7611	0.46
Swiss Franc	0.9943	0.9935	0.08

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
Non	67.17	-0.01	1335001	469552	23.23	26.43
Dec	67.47	-0.04	137225	20619	2.89	26.44
Nov - Dec	-0.30	-	-	448933	-	95.61
Dec - Jan	-0.30	-	-	6278	-	30.45

Global Indices

Indices	Close	Prev close	% change
Dow Jones	18169.27	18223.03	-0.30
Nasdaq	4891.455	4909.969	-0.38
FTSE	7017.64	6986.4	0.45
DAX	10757.31	10761.17	-0.04
Hang Sang	23408.5	23565.11	-0.66
Nikkei	17339.07	17365.25	-0.15
SGX Nifty	8665.5	8698	-0.37

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1273.87	1264.44	0.75
Copper	213.85	209.3	2.17
Brent crude	50.79	51.46	-1.30

Source: Reuters/Bloomberg for above all exhibits

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Debt market

- Government bonds fell, as fresh supply of debt entered the market, even as investors remained cautious about the pace of further open market purchase of notes by the central bank
- The benchmark 6.97% bond maturing in 2026 ended lower at ₹ 101.39 against the previous close of ₹ 101.49
- The benchmark 6.97% 2026 bond yield rose to 6.77% from 6.76% in the previous day.

Forex (US\$/INR)

- The rupee rose slightly against the dollar in thin trade, posting a second session of gain, as a pullback in domestic equities supported a recovery in intra-day losses in the rupee
- The dollar index ended mildly lower at 98.72 on the back of profit booking from the recent surge against major currencies. Rising December interest rate hike probability and upcoming US presidential elections are key events for further moves in the US\$

Equity

- Equity benchmarks continue to consolidate in a narrow range in the last five sessions as it settled marginal lower on Tuesday amid a mixed set of earnings
- The Sensex settled at 28091, down 87 points or 0.31% while the Nifty shut shop at 8691, down 17 points or 0.20%
- Broader markets performed at par with the benchmark as the BSE midcap ended down 0.3% whereas the BSE small cap index continued its outperformance as it ended up 0.1%. The overall market breadth was tilted in favour of declines

Commodities Market

- Crude oil prices settled slightly lower on Tuesday ahead of US EIA weekly government crude oil inventory data. Iran wants to pump up production as it aims to recover market share lowst due to civil disruptions
- Gold prices rose on Tuesday on rising ETF demand, along with expectations of higher festival demand from Asia, especially India on back of near normal monsoon could support physical demand

US\$/INR derivatives strategy: Buy November Contract

- In the currency futures market, the most traded dollar-rupee November contract on the NSE ended at 67.17. The November contract open interest rose 23.23% from the previous day
- December contract open interest rose 2.89% 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 November futures contract (NSE)	View: Bullish on US\$INR
Buy US\$INR in the range of 67.00 - 67.10	Market Lot: US\$1000
Target: 67.30 / 67.50	Stop Loss: 66.90
Support	Resistance
S1/ S2: 67.05/66.85	R1/R2:67.25/67.45

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	2951.05	3342.96	-391.91
Debt	1709.37	945.55	763.82

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)	67.18	67.10	67.04	67.25	67.33
US\$ - INR (Dec)	67.50	67.44	67.40	67.54	67.59
EUR - INR (Nov)	73.20	73.13	73.09	73.24	73.30
EUR - INR (Dec)	73.58	73.50	73.45	73.63	73.71
GBP - INR (Nov)	82.25	82.18	82.11	82.32	82.39
GBP - INR (Dec)	82.67	82.58	82.51	82.74	82.82
JPY - INR (Nov)	64.31	64.19	64.11	64.38	64.50
JPY - INR (Dec)	64.71	64.43	64.28	64.86	65.14

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
25-0 ct-16	October	Buy	Buy Fut	66.75	67.00	66.55	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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