

**Treasury yields**

	Closing yield%	Previous yield %
India 10 year	6.32	6.33
US 10 year	2.29	2.31
Eur 10 year	0.22	0.21
UK 10 year	1.37	1.38
JPY 10 year	0.02	0.02

**RBI reference rate**

	Close		% change
	29-11-2016	28-11-2016	
USD/INR	68.65	68.72	-0.10
EUR/INR	72.80	73.18	-0.51
GBP/INR	85.23	85.85	-0.73
YEN/INR	61.25	61.32	-0.11

**Spot**

Spot	Close	Prev close	% change
Rupee	68.66	68.78	-0.17
Dollar index	100.93	101.33	-0.39
Euro	1.065	1.0614	0.34
British pound	1.2493	1.2416	0.62
Japanese Yen	112.38	111.94	0.39
Australian (\$)	0.7484	0.7482	0.03
Swiss Franc	1.0117	1.0127	-0.10

**Currency futures (US\$/₹, NSE)**

Contracts	LTP	chng (%)	OI	Vol	chng (%)	
					OI	Vol
Dec	68.83	-0.19	1465370	759751	-1.10	-72.80
Jan	69.04	-0.19	264264	65593	0.85	-41.77
Dec-Jan	-0.21	-	-	694158	-	91.37
Jan-Feb	-0.21	-	-	56785	-	86.57

**Global Indices**

Indices	Close	Prev close	% change
Dow Jones	19097.9	19152.14	-0.28
Nasdaq	4857.021	4870.017	-0.27
FTSE	6799.47	6840.75	-0.60
DAX	10582.67	10699.27	-1.09
Hang Sang	22842.18	22830.57	0.05
Nikkei	18318.23	18356.89	-0.21
SGX Nifty	8156.5	8149.5	0.09

\* Asian market as at 08.00 am

**Commodities**

	Close	Prev close	% change
Gold	1188.31	1194	-0.48
Copper	259.5	265.65	-2.32
Brent crude	46.38	48.24	-3.86

Source: Reuters, Bloomberg, CdsI for above all exhibits

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**Debt market**

- Government bonds ended higher as yields took a breather but most other sovereign debt fell for a third day after the central bank raised the cash reserve ratio to curb surging liquidity at banks
- The benchmark 6.97% bond maturing in 2026 ended at ₹ 104.69 against ₹ 104.65 the previous day
- The benchmark 6.97% 2026 bond yield fell to 6.32% from 6.33% in the previous day

**Forex (US\$/INR)**

- The rupee rose against the dollar as domestic equities gained for a third day, leading concerns about foreign fund outflows to subside. Also, the US\$ index continue to consolidate aiding strength in rupee
- The US\$ index rally continue to consolidate post recent surge. Strength in the British pound and euro continued to keep a US\$ rally in check while weakness in the Japanese Yen continued due to expectations of rising monetary divergence

**Equity**

- Equity benchmarks climbed for a third session in a row on Tuesday despite banking stocks remaining under pressure as participation by few other heavyweights continued
- The Sensex was up 44 points or 0.17% to 26394 while the Nifty rose 15 points or 0.19% to 8142
- Broader markets continued their outperformance as the BSE midcap and small cap indices rose ~0.5% each. As a result, the overall market breadth was positive with an A/D ratio of 1.5:1 on the BSE

**Commodities Market**

- Crude oil prices remained on the edge ahead of today's official Opec meet in Vienna. Iran continues to emphasise a far larger market share while Saudi Arabia has made it clear to Iran to play a significant role in a supply cut
- Gold prices continue the slide post brief recovery. Falling ETF investments and expectations of a faster rate hike are lowering appeal of gold as an investment asset. Domestic curbs on black money would also weigh on gold demand from India ahead of the peak wedding season

**US\$/INR derivatives strategy: Sell December Contract**

- In the currency futures market, the most traded dollar-rupee December contract on the NSE ended at 68.83. The December contract open interest fell 1.10% from the previous day
- January contract open interest rose 0.85% from the previous day
- We expect the US\$ to meet supply pressure at higher levels. Utilise upsides in the dollar to go short on the US\$/INR pair

**Intra-day strategy**

US\$/INR December futures contract (NSE)	View: Bearish on US\$/INR
Sell US\$/INR in the range of 68.85 - 68.95	Market Lot: US\$1000
Target: 68.60 / 68.40	Stop Loss: 69.05
Support	Resistance
S1/ S2: 68.65/68.45	R1/R2:69.00/69.20

Source: Company, ICICIdirect.com Research

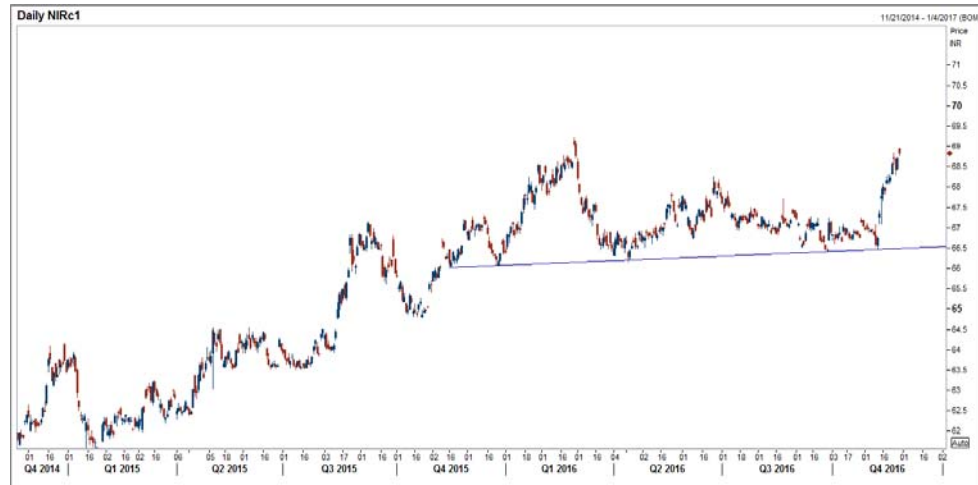
\*Call initiation and update messages will be broadcast on iclick-2-gain"

### FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹ crore)
Equity	4037.25	5404.10	-1366.85
Debt	268.29	3790.54	-3522.25

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 (Dec)	68.85	68.76	68.68	68.93	69.02
US\$ - INR (Jan)	69.07	68.98	68.91	69.13	69.22
EUR - INR (Dec)	73.02	72.91	72.77	73.16	73.27
EUR - INR (Jan)	73.27	73.21	73.11	73.37	73.43
GBP - INR (Dec)	85.72	85.50	85.10	86.12	86.35
GBP - INR (Jan)	86.02	85.82	85.48	86.36	86.56
JPY - INR (Dec)	61.33	61.08	60.93	61.49	61.74
JPY - INR (Jan)	61.59	61.31	61.15	61.74	62.02

Source: NSE, ICICIdirect.com Research

### Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
29-Nov-16	December	Buy	Buy Fut	68.70	69.00	68.55	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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