

August,1st, 2016

Currency Report



Currency Futures (NSE)

Currency	Expiry	Spot	Open	High	Low	Close	% chg	OI	% Chg in OI
USDINR	July	66.6700	67.3600	67.4225	67.2700	67.2900	-0.13%	1187362	1.0%
EURINR	July	74.4640	74.6800	74.8950	74.6000	74.8325	0.13%	61464	7.0%
GBPINR	July	88.3240	88.7975	89.0275	88.6350	88.7225	0.01%	43479	-1.1%
JPYINR	July	6502.4900	64.5675	65.4800	63.8000	65.1225	1.16%	39754	13.3%

Trade Sheet:

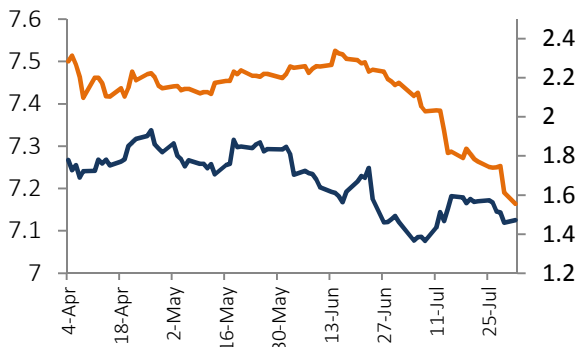
POSITIONAL BUY GBPINR(Aug)Entry at 88.98,SL 88.33,TGT 90.10.

Theta Strategy: USD INR(Aug)SELL 67.00PE, 68.50CE @0.26, SL 0.36, TARGET 0.07.

Option Monitor

Call					Strike Price	Put					FII Activity		
IV	% Chg in OI	OI	Volume	Premium		Premium	Volume	OI	% Chg in OI	IV	Action	Rs. (Crs)	\$ (Mil)
2.90	5.91%	14239	1008	0.8650	66.50	0.0750	44433	352973	5.40%	4.46	BUY	5566.32	822.81
3.53	55.76%	134261	102716	0.4850	67.00	0.1950	76067	243335	7.75%	4.41	SELL	5580.34	824.88
4.04	-0.11%	203748	109510	0.2475	67.50	0.4625	56157	168822	1.81%	4.94	NET	-14.02	-2.07
4.66	41.69%	202330	196760	0.1300	68.00	0.8450	12607	44010	-11.45%	5.78	Days to Expiry		28
5.18	-20.43%	137422	117862	0.0675	68.50	1.2775	1021	78648	-1.07%	6.61			

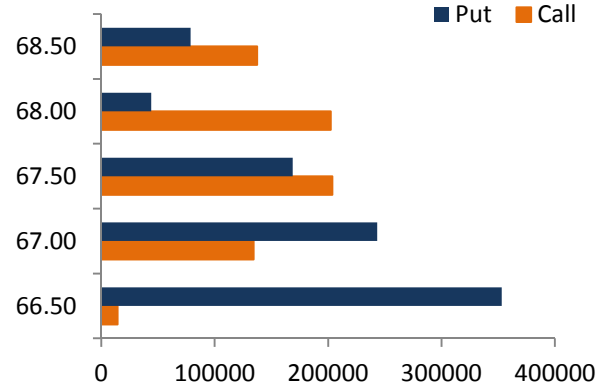
10 Yr Bonds Yields



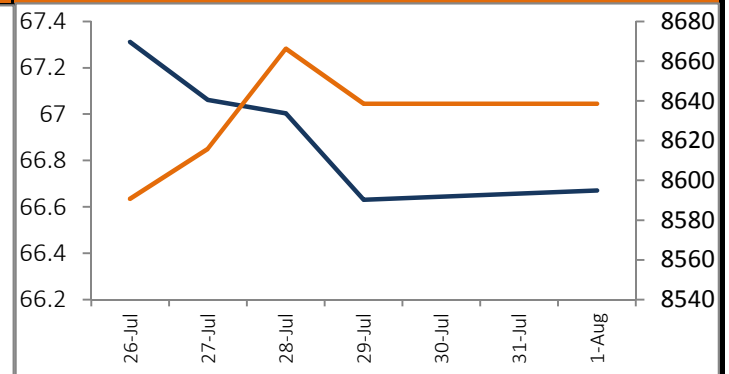
Source: Reuters

India US (RHS)

Open Interest Distribution



Correlation Between Nifty v/s USDINR



Source: Reuters

USDINR Nifty (RHS)

Market Snapshot

INR has been trading firm over the last couple of sessions and is likely to add gains, as disappointing U.S. growth data dampened expectations of a Fed rate increase this year, weighing on demand for the dollar. Risk appetite looks strong across Asian markets on fading hopes of a Fed rate hike in the near term. Sensex closed 0.6% lower on Jul.29, where FIIs sold local shares worth Rs.140.2 million.

The Japanese yen was down 0.5% against the greenback, giving up some gains chalked up in the previous session after BoJ's monetary stimulus was smaller than expected. The central bank nearly doubled its purchases of exchange-traded funds to 6 trillion yen, but held interest rates steady and did not increase its government bond-buying program.

US economy grew at a 1.2% annual rate in the second quarter, much less than expected, as inventory investment fell for the first time in nearly five years. Fed funds rate futures are pricing in only around 30% chance of a rate hike by December, compared to about 50% early last week.

In China, July Manufacturing PMI 49.9 vs. forecast of 50.0, while Caixin Manufacturing PMI at 50.6 vs. forecast 48.7 vs. previous 48.6.

Technical Chart



Support - Resistance for the day

Currency	Pivot	S1	S2	R1	R2
USDINR	67.33	67.23	67.18	67.39	67.48
EURINR	74.78	74.66	74.48	74.95	75.07
GBPINR	88.80	88.56	88.40	88.96	89.19
JPYINR	64.80	64.12	63.12	65.80	66.48

International Pairs

Currency	Open	High	Low	Close	% chg
Dollar Index	95.60	95.69	95.58	95.65	-0.05%
Euro	1.1173	1.1183	1.1162	1.1169	0.01%
Pound	1.3229	1.3271	1.3196	1.3248	-0.17%
Yen	102.05	102.67	101.98	102.48	-0.42%

Economic Data

Today	Currency	Expected	Previous	Yesterday
Nikkei Markit Manufacturing	INR	-	51.70%	BoJ Core CPI (YoY)
French Manufacturing PMI	EUR	48.60	48.60	BoJ Outlook Report (YoY)

Forward Market (OTC/ Interbank)

Currency	Actual	Previous	Period	Forward	Future	NDF
JPY	0.80%	0.80%	6-Month	68.6850	68.8925	68.6000
JPY	-	-	1-Year	70.6725	70.8025	70.4700

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