MOTILAL OSWAL
Commodities

July 15th, 2016

CURRENCY Report

| Currency Futures (NSE)										Trade Sheet:
Currency	Expiry	Spot	Open	High	Low	Close	% chg	OI	% Chg in OI	**Theta Strategy: Sell USDINR 67PE/Sell USDINR 68.50CE - At 0.185, SL 0.27, Tgt 0.03, 68.50 Call booked at 0.025.**
USDINR	July	66.8610	67.1500	67.2000	66.9650	67.0350	-0.22%	1410142	0.0%	
EURINR	July	74.4560	74.8975	74.8975	74.3300	74.6000	0.19%	39711	-2.9%	
GBPINR	July	89.8750	88.7200	89.8175	88.4275	89.4525	0.25%	56788	-4.2%	
JPYINR	July	6289.2500	64.1150	64.1800	63.2500	63.5725	-0.89%	34176	-11.7%	

Option Monitor											FII Activity		
Call					Strike Price	Put					Action	Rs. (Crs)	$ (Mil)
IV	% Chg in OI	OI	Volume	Premium		Premium	Volume	OI	% Chg in OI	IV	BUY	3861.29	569.85
2.57	1.87%	7957	379	0.7000	**66.50**	0.0275	21277	100782	0.58%	4.32	SELL	2991.45	441.48
3.69	18.64%	163561	67928	0.3200	**67.00**	0.1300	116290	201977	-2.16%	4.24	NET	869.84	128.37
4.47	23.79%	193433	144263	0.1200	**67.50**	0.4300	82466	171450	0.76%	5.05			
5.24	4.96%	217262	135682	0.0450	**68.00**	0.8500	51010	144143	-13.99%	6.03	Days to Expriy		12
6.29	-10.32%	216722	76755	0.0225	**68.50**	1.3300	1427	48785	-1.41%	7.65			

10 Yr Bonds Yields

Source: Reuters — India — US (RHS)
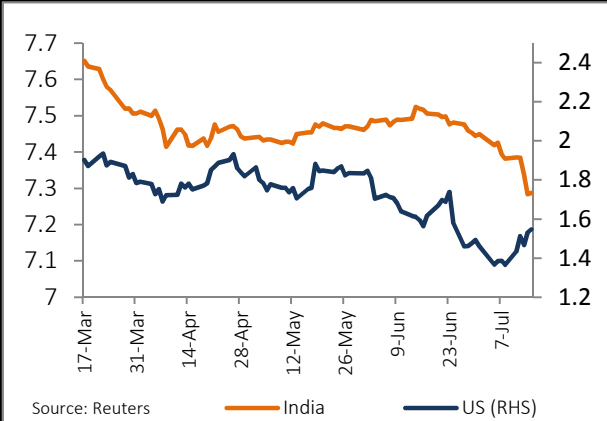
Open Interest Distribution

Put Call
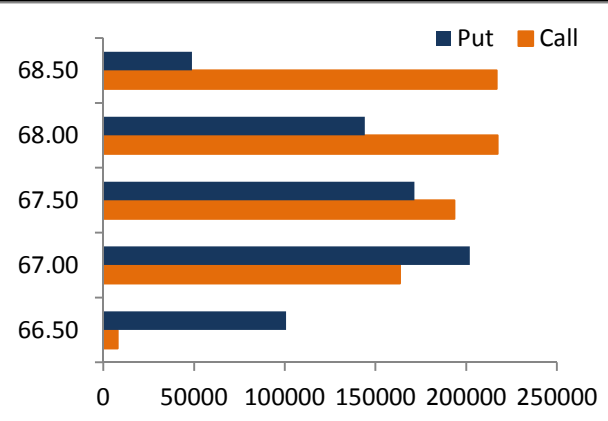
Correlation Between Nifty v/s USDINR
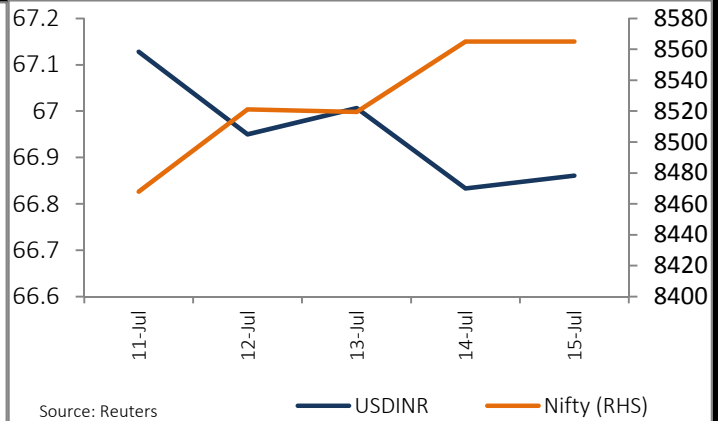
Source: Reuters — USDINR — Nifty (RHS)

Market Snapshot

The INR is likely to remain strong as global markets continue to rally amid better Chinese growth data earlier today. China's economy grew 6.7% y/y in Q2 while industrial production and retails sales jumped more than expected in June. U.S markets also continue to touch new highs which is helping global risk sentiment and helping the INR. In the domestic markets too, strong foreign inflows into both equity and debt markets are fuelling gains in the INR. Foreign holdings of rupee-denominated government and corporate bonds have increased by about 50 billion rupees ($748 million) in July so far. In the last nine trading sessions, FIIs bought $511.62 million in local equities.

In terms of domestic economic data, WPI-based inflation increased to 1.62% in June from 0.79% in May, after it turned positive in April. Earlier, CPI grew 5.77% from a year earlier, the fastest pace of annual expansion since August 2014. Globally, the pound rallied after the BOE maintained status quo in monetary policy and the yen continues to weaken as safe haven demand declined and as markets await stimulus from Japan.

Technical Chart

Support - Resistance for the day

Currency	Pivot	S1	S2	R1	R2
USDINR	67.07	66.93	66.83	67.17	67.30
EURINR	74.61	74.32	74.04	74.89	75.18
GBPINR	89.23	88.65	87.84	90.04	90.62
JPYINR	63.67	63.16	62.74	64.09	64.60

International Pairs

Currency	Open	High	Low	Close	% chg
Dollar Index	96.13	96.20	95.98	96.01	0.07%
Euro	1.1116	1.1138	1.1098	1.1136	-0.16%
Pound	1.3341	1.3449	1.3322	1.3447	-0.82%
Yen	105.33	106.30	105.03	106.27	-0.90%

Economic Data

Today	Currency	Expected	Previous	Yesterday	Currency	Actual	Previous
CPI (YoY) (Jun)	EUR	0.20%	0.40%	WPI Inflation (YoY) (Jun)	INR	1.62%	0.79%
BoE Gov Carney Speaks	GBP	-	-	BoE QE Total (Jul)	GBP	375B	375B

Forward Market (OTC/ Interbank)

Period	Forward	Future	NDF
6-Month	68.9060	68.7325	68.7410
1-Year	70.8910	70.9200	70.6510