

May 20th, 2016

Currency Report



Currency Futures (NSE)

Currency	Expiry	Spot	Open	High	Low	Close	% chg	OI	% Chg in OI
USDINR	May	67.4432	67.2325	67.4900	67.1850	67.4550	0.53%	1569406	22.5%
EURINR	May	75.5570	75.5425	75.7275	75.5000	75.6450	-0.14%	66395	6.6%
GBPINR	May	98.4430	97.8800	98.7575	97.8800	98.6450	1.26%	53961	35.8%
JPYINR	May	6129.0200	61.2000	61.4800	61.0375	61.4575	0.12%	24951	-2.6%

Trade Sheet:

Theta Strategy: Sell 66.75 CE & PE At 0.66, SL 0.87, Tgt 0.29

Theta Strategy: Sell 67 CE & PE At 0.43, SL 0.60, Tgt 0.13

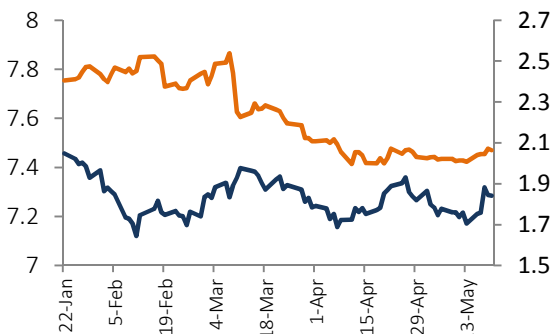
Option Monitor

Call					Strike Price	Put				
IV	% Chg in OI	OI	Volume	Premium		Premium	Volume	OI	% Chg in OI	IV
4.43	-2.42%	199829	32563	0.9650	66.50	0.0075	82719	152197	-5.83%	5.41
5.27	-18.84%	305038	190770	0.5175	67.00	0.0500	309532	308213	-5.14%	5.15
5.65	23.22%	325540	303353	0.2075	67.50	0.2400	135534	119581	71.27%	5.64
6.13	-3.44%	105097	124075	0.0650	68.00	0.6175	3981	29328	0.32%	6.89
6.65	1.79%	167888	25961	0.0175	68.50	1.1450	292	1243	30.29%	11.42

FII Activity

Action	Rs. (Crs)	\$ (Mil)
BUY	4205.43	629.96
SELL	4970.01	744.49
NET	-764.58	-114.53
Days to Expiry		7

10 Yr Bonds Yields

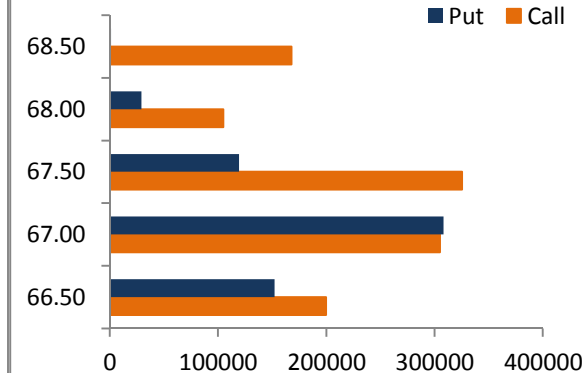


Source: Reuters

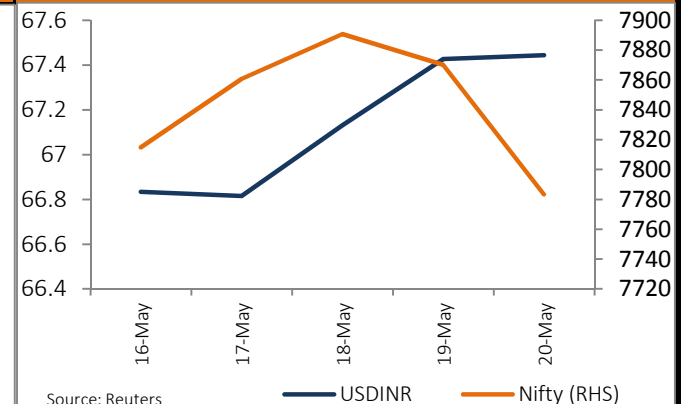
India

US (RHS)

Open Interest Distribution



Correlation Between Nifty v/s USDINR



Source: Reuters

USDINR

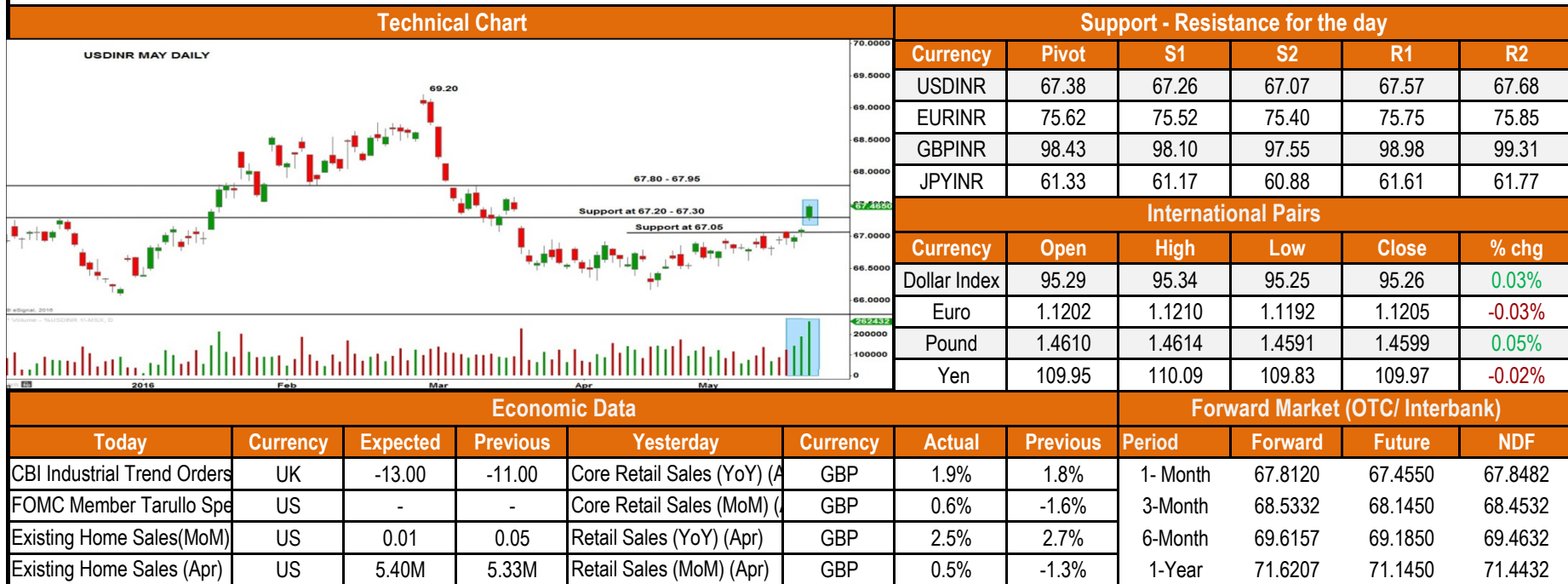
Nifty (RHS)

Market Snapshot

The INR extended losses yesterday to three month lows and is likely to remain under pressure as Fed rate hike concerns weighed on sentiment. Foreign

exchange outflows from domestic markets also weighed on the INR as FII's sold equity and debt amounting to \$19.3 million yesterday. Total outflows from equity and debt have totalled \$196 million so far this month. Adding to this, SEBI tightened P-note norms yesterday to prevent money laundering and this could lead to more forex outflows in the near term.

On the global front, Richmond Fed president Jeffrey Lacker and New York Fed president Bill Dudley, both suggested that markets are under-appreciating the likelihood that the Federal Reserve moves more aggressively on raising interest rates this year. Earlier, the hawkish and U.S. inflation data this month has led markets to assign greater probability of a rate move in June and July. This could continue to weigh on most currencies. The focus today will be on Group of Seven finance ministers gathering in Japan amid concern over efficacy of using more stimulus.



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