

Thursday, September 28, 2017

Emerging Market Currencies Weakening Further, Worries Increase For Indian Equity Markets

Indian Rupee is sustaining above its 5 months high breakout level of 65.20 and yesterday closed at 65.70. Among Emerging market currencies, Korean Won is trading above its 5 week high level of 1140.70, Thai Baht has given breakout of 4 week high of 33.27, Taiwan has touched to its 5 week high level of 30.38, and Russian Rubble is ready to give breakout of its 4 week high of 58.38, Brazilian real is trading above 3 week high of 3.15, South African Rand is trading at its 1 month high of 13.55, Mexican Peso is also trading above 1 month high of 18.06 , Malaysian Ringgit is trading above its 2 week high of 4.20, Indonesian Rupiah is trading above its 7 month high of 13.42, Philippine Peso has joined the rally and has broken its 4 days high of 51.10 and Turkish Lira has also weaken to broke its 1 month high of 3.56. Thus we can see that all the Emerging market currencies have weakened against the dollar, which is a negative sign for Emerging market equities. Dynamic levels Research Team expects Indian Rupee to fall further with immediate target of 66.90.

The Emerging market currencies showed weakness after, ECB President Mario Dragi signalled QE tapering in upcoming Monetary policy due on 26th Oct 2017.

Performance of Emerging Market Currencies

Emerging Market Currency	Last	% Chg	High	Low	Week%
Turkish Lira	3.58	0.02%	3.58	3.58	2.19%
Indian Rupee	65.73	0.30%	65.77	65.54	1.42%
Mexican Peso	18.24	0.18%	18.25	18.18	1.99%
South African Rand	13.59	0.02%	13.60	13.56	2.33%
Indonesian Rupiah	13479	0.29%	13493	13425	1.49%
Brazil Real	3.19	-0.01%	3.20	3.19	1.77%
Korean Won	1146	0.04%	1147	1143	1.19%
Chinese Yuan	6.65	0.08%	6.65	6.62	0.87%
Malaysian Ringgit	4.22	0.02%	4.22	4.22	0.60%
Taiwan Dollar	30.38	0.26%	30.41	30.30	0.63%
Thai Baht	33.32	0.02%	33.39	33.21	0.63%
Russian Ruble	58.20	0.00%	58.37	57.82	0.51%
Philippine Peso	51.09	0.10%	51.11	51.00	0.05%
MSCI Intl Emerging Market Currency	1624	-0.35%	1629.41	1621	-0.81%

Performance of Emerging Market Indices

Emerging Market Indices	Last	High	Low	% Chg	Week%
Russian (RTSI)	1126	1131	1121	-0.09%	0.35%
Philippine (PSEi)	8222	8222	8113	0.63%	0.03%
Thailand (SET Index)	1670	1675	1663	0.03%	-0.02%
China (Shanghai Composite)	3345	3350	3340	0.05%	-0.62%
Malaysia (KLSE)	1764	1768	1762	-0.08%	-0.53%
Indonesia (Jakarta)	5863	5873	5841	-0.02%	-0.74%
Korea (Kospi)	2373	2377	2369	-0.07%	-1.64%
South Africa	5602	5608	5587	0.35%	-1.29%
MSCI Emerging Market	1080	1087	1079	0.00%	-2.87%
Brazil (Bovespa)	74319	74971	74319	-0.17%	-2.22%
Turkey (BIST 100)	102040	104036	101980	-1.82%	-3.15%
India (Nifty)	9736	9921	9714	-1.38%	-4.00%
Taiwan (TAIEX)	10329	10332	10322	0.06%	-1.65%

The above table is showing that all Emerging Market Indices have shown sell off except Russian Index. This is clearly showing that market is under pressure and may give further correction.

NIFTY OUTLOOK & OPEN INTEREST IN INDEX OPTION

Yesterday again FII and Pro have created a sell position 111903 contracts in Index Options. In last the 10 days FII&PRO have created a short position of 491750 contracts and Nifty has fallen by 136 points from its previous close

Date	FII	PRO	FII+PRO	CLI	DII	Nifty	Bank Nifty
	Net OI Index Options (FII)	Net OI Index Options (PRO)	Combined Position	Net OI Index Options (CLI)	Net OI Index Options (DII)	Close	Close
Average(ADM) 1 Year	22000	30000	43000	43000	271	72	240
Expiry Position	-176828	-229905	-406733	406863	-129	-182	-505
10 Day' Net Position (A-B)	-173563	-318187	-491750	489793	1958	-351	-1099
27-Sep-17(A)	-297983	-209600	-507583	436043	71540	9736	23813
26-Sep-17	-260996	-134684	-395680	323356	72324	9872	24199
25-Sep-17	-251925	-131156	-383081	312267	70814	9873	24165
22-Sep-17	-203957	-64134	-268091	198242	69848	9964	24369
21-Sep-17	-103476	36560	-66916	-821	67737	10121	24799
20-Sep-17	-122373	68315	-54058	-13680	67737	10141	24965
19-Sep-17	-112961	82346	-30615	-38968	69582	10148	25042
18-Sep-17	-104051	86563	-17488	-52095	69582	10153	25047
15-Sep-17	-109768	71912	-37856	-31727	69582	10085	24844
14-Sep-17(B)	-124420	108587	-15833	-53750	69582	10087	24912
13-Sep-17	-125676	90992	-34684	-35099	69782	10079	24832
12-Sep-17	-114349	112031	-2318	-69123	71440	10093	24785
11-Sep-17	-125816	67019	-58797	-10178	68974	10006	24672
8-Sep-17	-159773	41225	-118548	48034	70513	9935	24371
7-Sep-17	-160883	39560	-121323	51537	69785	9930	24305
6-Sep-17	-157964	16562	-141402	71746	69655	9916	24279
5-Sep-17	-157177	28181	-128996	59340	69655	9952	24328
4-Sep-17	-152462	13723	-138739	68683	70055	9913	24237
1-Sep-17	-134608	44677	-89931	19835	70095	9974	24434
31-Aug-17	-121155	20305	-100850	29180	71669	9918	24318

Cash Market Data

DATES	FII	DII	FII+DII
27-Sep-17	-856.28	1858.3	1002.01
26-Sep-17	-1915.54	1537.1	-378.44
25-Sep-17	-1249.45	1010	-239.47
22-Sep-17	-1241.73	521.17	-720.56
21-Sep-17	-1204.95	1416.6	211.6
20-Sep-17	-1185.44	946.23	-239.21
19-Sep-17	-1719.62	-77.68	-1797.3
18-Sep-17	-96.92	775.61	678.69
15-Sep-17	418.86	125.55	544.41
14-Sep-17	-1334.23	793.31	-540.92

In the last 10 days, FII and DII combined have sold stocks worth Rs. 1479 Crore in cash segment. Small Cap Index after making a high of 8093 on 20th Sep is currently trading at 7407.

Sector Performance

Major Sector	Low %
TEXTILES AND APPAREL	1.15%
FMCG	1.09%
METALS AND MINING	1.09%
INFRASTRUCTURE CONSTRUCTION AND ENGINEERING	1.05%
IT	1.04%
FINANCIAL SERVICES	1.02%
CEMENT & CEMENT PRODUCTS	1.02%
CHEMICALS	1.02%
POWER	0.99%
INDUSTRIAL MANUFACTURING	0.95%
ENERGY-OIL & GAS	0.91%
PHARMA	0.89%
AUTOMOBILES & AUTO PARTS	0.88%
REALTY	0.86%
FMCG-FOOD	0.84%
FERTILISERS	0.77%
BANKS-PRIVATE AND PSU	0.65%
Minor Sector	Low %
TELECOM	2.08%
CARBON	1.71%
HOTELS AND LEISURE	1.40%
AIRLINES	1.24%
INTERIOR CONSTRUCTION	1.17%
FILMS	1.16%
PACKAGING	1.15%
HOME APPLIANCES	1.03%
SERVICES	1.01%
BEVERAGES	0.92%
ELECTRICAL EQUIPMENT	0.92%
PAPER	0.92%
MEDIA-TV AND NEWSPAPER	0.91%
TRANSPORTATION LOGISTICS	0.89%
HEALTHCARE SERVICES	0.86%
CONSUMER GOODS	0.84%
GOLD & JEWELLERY	0.79%
DEFENCE	0.78%
SUGAR	0.77%

Disclaimer

The investment advice or guidance provided by way of recommendations, reports or other ways are solely the personal views of the research team. Users are advised to use the data for the purpose of information and rely on their own judgment while making investment decision.

Dynamic Equities Pvt. Ltd - SEBI Investment Advisory Reg. No.: INA300002022

Disclosure

Dynamic Equities Pvt. Ltd. is a member of NSE, BSE, MCX SX and a DP with NSDL & CDSL. It is also engaged in Investment Advisory Services and Portfolio Management Services. Dynamic Commodities Pvt. Ltd., associate company, is a member of MCX & NCDEX. We declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered. SEBI, Exchanges and Depositories have conducted the routine inspection and based on their observations have issued advise letters or levied minor penalty on for certain operational deviations.

Answers to the Best of our knowledge and belief of Dynamic/ its Associates/ Research Analyst: DYNAMIC/its Associates/ Research Analyst/ his Relative:

- Do not have any financial interest / any actual/beneficial ownership in the subject company.
- Do not have any other material conflict of interest at the time of publication of the research report
- Have not received any compensation from the subject company in the past twelve months
- Have not managed or co-managed public offering of securities for the subject company.
- Have not received any compensation for brokerage services or any products / services or any compensation or other benefits from the subject company, nor engaged in market making activity for the subject company
- Have not served as an officer, director or employee of the subject company

Report Prepared By:

Vikash Kandoi - NISM-201500086430