

Treasury yields

| | Closing yield% | Previous yield % |
|---------------|----------------|------------------|
| India 10 year | 6.74 | 6.74 |
| US 10 year | 2.35 | 2.36 |
| Eur 10 year | 0.46 | 0.44 |
| UK 10 year | 1.38 | 1.36 |
| JPY 10 year | 0.07 | 0.06 |

RBI reference rate

| | Close | | % change |
|---------|------------|------------|----------|
| | 10/11/2017 | 10/10/2017 | |
| US\$INR | 65.27 | 65.27 | 0.01 |
| EUR-INR | 77.17 | 76.83 | 0.44 |
| GBP-INR | 86.12 | 85.94 | 0.20 |
| JPY-INR | 58.08 | 57.95 | 0.22 |

Spot

| Spot | Close | Prev close | % change |
|-----------------|--------|------------|----------|
| Rupee | 65.14 | 65.29 | -0.22 |
| Dollar index | 93.02 | 93.29 | -0.29 |
| Euro | 1.1859 | 1.1808 | 0.43 |
| British pound | 1.3223 | 1.3203 | 0.15 |
| Japanese Yen | 112.5 | 112.45 | 0.04 |
| Australian (\$) | 0.7788 | 0.7778 | 0.13 |
| Swiss Franc | 0.9735 | 0.9752 | -0.17 |

Currency futures (US\$/₹, NSE)

| Contracts | LTP | chg (%) | OI | Vol | chg (%) | |
|-----------|-------|---------|---------|---------|---------|-------|
| | | | | | OI | Vol |
| October | 65.29 | -0.38 | 1590269 | 1240517 | -14.50 | 19.74 |
| November | 65.53 | -0.38 | 285586 | 65632 | 12.62 | 26.60 |
| Oct-Nov | -0.24 | - | - | 1174885 | - | 94.71 |
| Nov-Dec | -0.20 | - | - | 58430 | - | 89.03 |

Global Indices

| Indices | Close | Prev close | % change |
|-----------|----------|------------|----------|
| Dow Jones | 22872.89 | 22830.68 | 0.18 |
| Nasdaq | 6081.25 | 6063.521 | 0.29 |
| FTSE | 7533.81 | 7538.27 | -0.06 |
| DAX | 12970.68 | 12949.25 | 0.17 |
| Hang Sang | 28447.04 | 28389.57 | 0.20 |
| Nikkei | 20978.56 | 20881.27 | 0.47 |
| SGX Nifty | 10024.5 | 9988.5 | 0.36 |

* Asian market as at 08.00 am

Commodities

| | Close | Prev close | % change |
|-------------|---------|------------|----------|
| Gold | 1291.72 | 1288.03 | 0.29 |
| Copper | 309.55 | 306.05 | 1.14 |
| Brent crude | 56.94 | 56.61 | 0.58 |

Source: Reuters, Bloomberg, CdsI for above all exhibits

Research Analyst

Amit Gupta
amit.gup@icicisecurities.com

Gaurav Shah
gaurav.shah@icicisecurities.com

Debt market

- Government bonds were little changed, as investors consolidated positions ahead of the release of September inflation data today
- The Gov benchmark 6.79% 2027 bond yield was steady at 6.74% in the previous session
- Yield on the US 10-year yield declined to 2.35% from 2.36% in the previous session

Forex (US\$/INR)

- The rupee rose for a third straight day. The US\$ weakened after US President Donald Trump's twitter clash with a fellow Republican Senator over the government's tax overhaul plans
- The US\$ extended losses against major currencies post Fed's monetary policy meeting minutes. The Fed raised concerns on inflation growth although a December interest rate hike remain intact. This led to profit booking in US\$ and raised concerns on the future pace of Fed rate hikes. Euro jumped to 1.19 level on a weaker US\$ and waning fears of Catalonia region's independence

Equity

- Equity benchmarks snapped their three day winning streak and settled lower in a volatile session of trade
- The Sensex, Nifty lost 0.3% each. Broader markets were subject to profit booking after the recent outperformance as midcap and small cap indices lost 0.82% and 1.08%, respectively

Commodities Market

- Gold gained as US\$ longs come under profit booking. Fed's inflation concerns have dented rate hike sentiments. Persistent low inflation growth could raise concerns on Fed's pace of further rate hikes
- Crude oil prices saw mild gains on the back of a soft US\$ post Fed minutes. Also, API data shows inventories rising 3.1 mb while government data may show oil inventories declining by 2.04 mb

Strategy

- In the currency futures market, the near month dollar-rupee October contract on the NSE ended at 65.29. The October contract open interest declined 14.50% from the previous day
- November contract open interest increased 12.62% in the previous session
- We expect the US\$ to meet supply pressure at higher levels. Utilise upside in the pair to go short on the US\$INR

Intra-day strategy

| USSINR October futures contract (NSE) | View: Bearish on US\$INR |
|--|--------------------------|
| Sell US\$INR in the range of 65.34 - 65.42 | Market Lot: US\$1000 |
| Target: 65.15 / 65.10 | Stop Loss: 65.55 |
| Support | Resistance |
| S1/ S2: 65.25 / 65.05 | R1/R2: 65.35 / 65.55 |

Source: Company, ICICIdirect.com Research

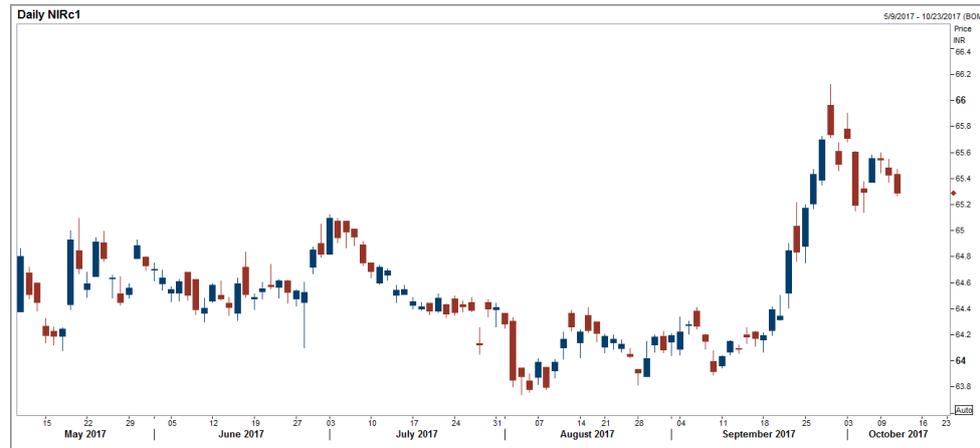
*Call initiation and update messages will be broadcast on iclick-2-gain"

FII Activity

| Segment | Gross Purchase | Gross Sale | Net (₹ crore) |
|---------|----------------|------------|---------------|
| Equity | 3606.93 | 4011.06 | -404.13 |
| Debt | 2082.81 | 359.03 | 1723.78 |

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 (October) | 65.34 | 65.21 | 65.13 | 65.42 | 65.55 |
| US\$ - INR (November) | 65.58 | 65.46 | 65.38 | 65.66 | 65.78 |
| EUR - INR (October) | 77.28 | 77.09 | 76.93 | 77.44 | 77.64 |
| EUR - INR (November) | 77.69 | 77.54 | 77.45 | 77.78 | 77.93 |
| GBP - INR (October) | 86.22 | 85.99 | 85.85 | 86.36 | 86.58 |
| GBP - INR (November) | 86.58 | 86.36 | 86.23 | 86.70 | 86.92 |
| JPY - INR (October) | 58.23 | 58.12 | 58.05 | 58.30 | 58.41 |
| JPY - INR (November) | 58.51 | 58.42 | 58.36 | 58.57 | 58.66 |

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

| Date | Contract USD/INR | View | Strategy | Rec. | Target | SL | (P/L)* | Comment |
|-----------|------------------|------|-------------|-------|--------|-------|--------|---------------|
| 11-Oct-17 | October | Sell | Sell future | 65.55 | 65.25 | 65.70 | 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 paisa 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



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICIdirect.com Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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