

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.75	6.74
US 10 year	2.32	2.35
Eur 10 year	0.45	0.46
UK 10 year	1.38	1.38
JPY 10 year	0.07	0.07

RBI reference rate

	Close		% change
	10/12/2017	10/11/2017	
US\$INR	65.10	65.27	-0.26
EUR-INR	77.27	77.17	0.14
GBP-INR	86.23	86.12	0.13
JPY-INR	57.98	58.08	-0.17

Spot

Spot	Close	Prev close	% change
Rupee	65.09	65.14	-0.08
Dollar index	93.06	93.02	0.05
Euro	1.183	1.1859	-0.24
British pound	1.3262	1.3223	0.29
Japanese Yen	112.28	112.5	-0.20
Australian (\$)	0.782	0.7788	0.41
Swiss Franc	0.9755	0.9735	0.21

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
October	65.20	-0.52	1571916	959243	-15.49	-7.41
November	65.42	-0.55	287136	57504	13.23	10.92
Oct-Nov	-0.22	-	-	901739	-	94.01
Nov-Dec	-0.19	-	-	48248	-	83.90

Global Indices

Indices	Close	Prev close	% change
Dow Jones	22841.01	22872.89	-0.14
Nasdaq	6069.988	6081.25	-0.19
FTSE	7556.24	7533.81	0.30
DAX	12982.89	12970.68	0.09
Hang Sang	28435.04	28459.03	-0.08
Nikkei	21003.5	20954.72	0.23
SGX Nifty	10124.5	10126	-0.01

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1293.72	1291.72	0.15
Copper	312	309.55	0.79
Brent crude	56.25	56.94	-1.21

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds fell, as investors deferred purchases ahead of the key September inflation data. CPI growth fell to 3.28% against market expectation at 3.53%, which could support bonds as well as the rupee
- The Gov benchmark 6.79% 2027 bond yield rose to 6.75% from 6.74% in the previous session
- Yield on the US 10-year yield declined to 2.32% from 2.35% in the previous session

Forex (US\$/INR)

- The rupee rose to its highest in over a week against the US\$, helped by equity-related inflows and tracking the US currency's overnight slide after the Federal Reserve's September meeting minutes reflected policymakers' concerns over weak inflation
- The US\$ extended losses against major currencies ahead of crucial inflation data post the mixed September employment data. Mixed signals from Fed officials on December interest rate has also weighed on US\$. Pound jumped sharply from day's lows near 1.314 as Brexit and politics continue to dominate landscape ahead of BoE policy meeting

Equity

- Equity benchmarks resumed their upward momentum after the previous session's breather as the Sensex & Nifty rallied over 1% each led by heavyweight Reliance Industries
- Broader markets performed in line with benchmark as midcap and small cap indices gained over 1% each

Commodities Market

- Gold gained mildly as the US\$ continued to remain under pressure supporting non-interest paying asset. North Korea war rhetoric will continue to fuel safe haven demand for gold in the near term
- Crude oil prices witnessed profit booking even though US oil inventories declined. US crude oil inventories declined by 2.75 mb while oil output to fell first time in five weeks

Strategy

- In the currency futures market, the near month dollar-rupee October contract on the NSE ended at 65.20. The October contract open interest declined 15.49% from the previous day
- November contract open interest increased 13.23% 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 65.10 - 65.20	Market Lot: US\$1000
Target: 64.90 / 64.85	Stop Loss: 65.30
Support	Resistance
S1/ S2: 65.08 / 64.88	R1/R2: 65.15 / 65.25

Source: Company, ICICIdirect.com Research

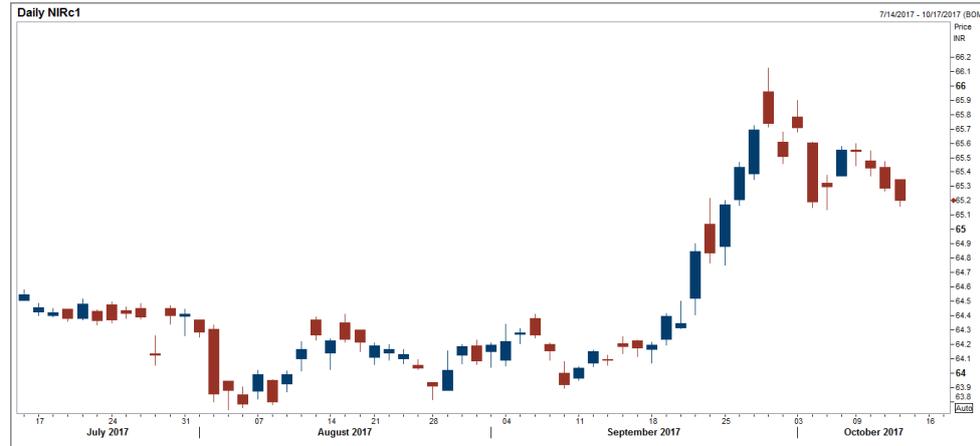
*Call initiation and update messages will be broadcast on iclick-2-gain"

FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹ crore)
Equity	6411.60	5541.86	869.74
Debt	2355.03	1393.50	961.53

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)	65.24	65.14	65.06	65.33	65.43
US\$ - INR (November)	65.46	65.39	65.34	65.52	65.58
EUR - INR (October)	77.43	77.28	77.15	77.55	77.70
EUR - INR (November)	77.80	77.65	77.53	77.92	78.07
GBP - INR (October)	86.04	85.48	85.15	86.38	86.93
GBP - INR (November)	86.40	85.86	85.55	86.71	87.25
JPY - INR (October)	58.11	58.03	57.94	58.20	58.27
JPY - INR (November)	58.39	58.33	58.24	58.48	58.55

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
12-Oct-17	October	Sell	Sell future	65.39	65.13	65.55	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



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