



Derivative strategy Long strangle: USD-INR FEB OPTION

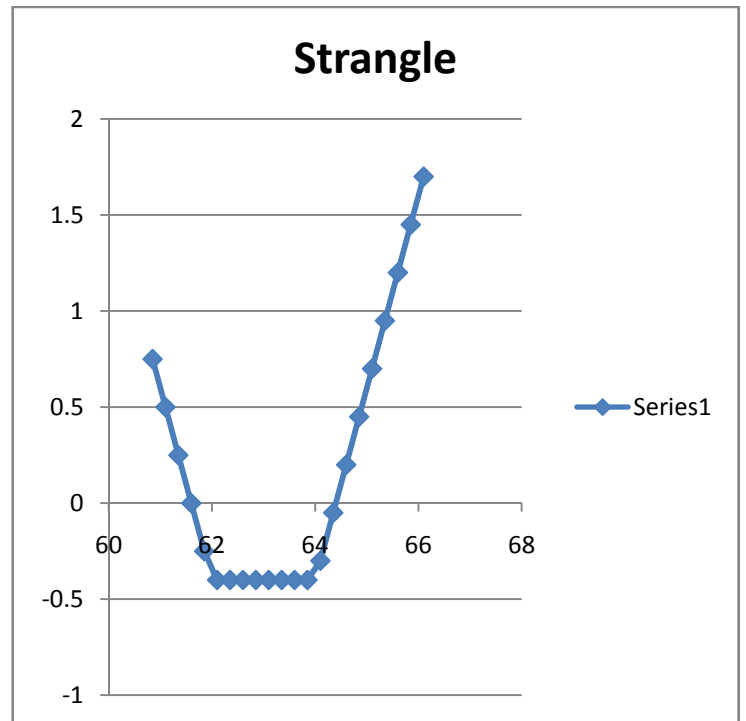
Futures price FEB USD-INR 63.10

Long CALL FEB Strike 64 @ 0.20

Long PUT FEB Strike 62 @0.15

Net Debit	Max. Risk	Max. Reward	Breakeven down	Breakeven up
0.40	0.40	Uncapped	61.6	64.4

Futures	Payoff_Longcall	Payoff_Longput	Net
60.85	-0.25	1	0.75
61.1	-0.25	0.75	0.5
61.35	-0.25	0.5	0.25
61.6	-0.25	0.25	0.00
61.85	-0.25	-0.10	-0.25
62.1	-0.25	-0.15	-0.4
62.35	-0.25	-0.15	-0.4
62.6	-0.25	-0.15	-0.4
62.85	-0.25	-0.15	-0.4
63.1	-0.25	-0.15	-0.4
63.35	-0.25	-0.15	-0.4
63.6	-0.25	-0.15	-0.4
63.85	-0.25	-0.15	-0.4
64.1	-0.15	-0.15	-0.3
64.35	0.1	-0.15	-0.05
64.6	0.35	-0.15	0.2
64.85	0.6	-0.15	0.45
65.1	0.85	-0.15	0.7
65.35	1.1	-0.15	0.95



Conclusion: Through the strategy one should make max profit Rs. 0.80 or above if USD-INR moves above 65.10 levels while if it moves below 60.85

However, If USD-INR remains between range of 62-64 then loss will be limited to the total premium paid = 0.40 Rs.