

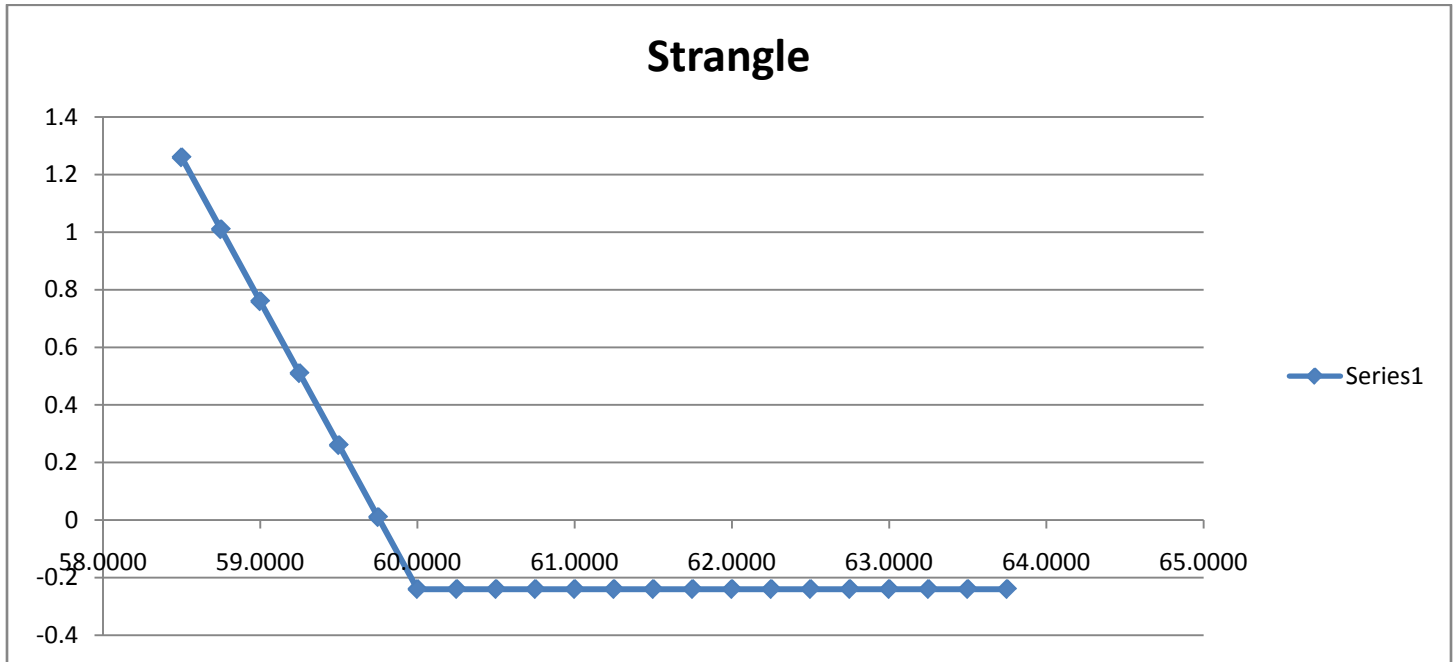


Wednesday, Nov 27th 2013

Derivative strategy Long strangle (For Dec 2013): Buy USDINR call strike price 65 Dec @ 0.15 Paisa & Buy Put strike price 60 Dec @0.09 paisa. Future price – Dec 27, Future 62.75

Net Debit	Maximum Risk	Maximum Reward	Breakeven down	Breakeven up
0.24	0.24	Uncapped	59.76	65.24

Futures	Payoff_Longcall	Payoff_Longput	Net	Profit in Rs per lot
58.5000	-0.15	1.41	1.26	1260
58.7500	-0.15	1.16	1.01	1010
59.0000	-0.15	0.91	0.76	760
59.2500	-0.15	0.66	0.51	510
59.5000	-0.15	0.41	0.26	260
59.7500	-0.15	0.16	0.01	10
60.0000	-0.15	-0.09	-0.24	-240
60.2500	-0.15	-0.09	-0.24	-240
60.5000	-0.15	-0.09	-0.24	-240
60.7500	-0.15	-0.09	-0.24	-240
61.0000	-0.15	-0.09	-0.24	-240
61.2500	-0.15	-0.09	-0.24	-240
61.5000	-0.15	-0.09	-0.24	-240
61.7500	-0.15	-0.09	-0.24	-240
62.0000	-0.15	-0.09	-0.24	-240
62.2500	-0.15	-0.09	-0.24	-240
62.5000	-0.15	-0.09	-0.24	-240
62.7500	-0.15	-0.09	-0.24	-240
63.0000	-0.15	-0.09	-0.24	-240
63.2500	-0.15	-0.09	-0.24	-240
63.5000	-0.15	-0.09	-0.24	-240
63.7500	-0.15	-0.09	-0.24	-240
64.0000	-0.15	-0.09	-0.24	-240
64.2500	-0.15	-0.09	-0.24	-240
64.5000	-0.15	-0.09	-0.24	-240
64.7500	-0.15	-0.09	-0.24	-240
65.0000	-0.15	-0.09	-0.24	-240
65.2500	0.1	-0.09	0.01	10
65.5000	0.35	-0.09	0.26	260
65.7500	0.6	-0.09	0.51	510
66.0000	0.85	-0.09	0.76	760
66.2500	1.1	-0.09	1.01	1010



Conclusion: Through the above strategy one should make max profit Rs 700 per lot if USD-INR moves down below 59.00 levels while if it moves above 66 in the Dec month.

However, If USD-INR remains between range of 60.00-65.00 then loss will be limited to the total premium paid = 0.24Rs.

Key International Events:

- 01st Dec: Manufacturing PMI of China.
- 03rd Dec: FOMC Fed Chairman Nomination Vote.
- 05th Dec: European central bank and Bank of England monthly Press conference and Official Bank Rate.
- 05th Dec: U.S. Prelim GDP.
- 09th Dec: China CPI.
- 19th Dec: FOMC Press Conference & FOMC Statement.

Key Domestic Events:

- 12th Dec: India Index of Industrial Production for Oct. (Sep month stands positive at 2%)
- 16th Dec: WPI inflation for Nov. (Oct month stands at 7%)
- 18th Dec: RBI Mid-Quarter Review of Monetary Policy 2013-2014. (Repo rate 7.75%, Reverse Repo rate 6.75%, CRR 4%)



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