



Wednesday, June 19th 2013

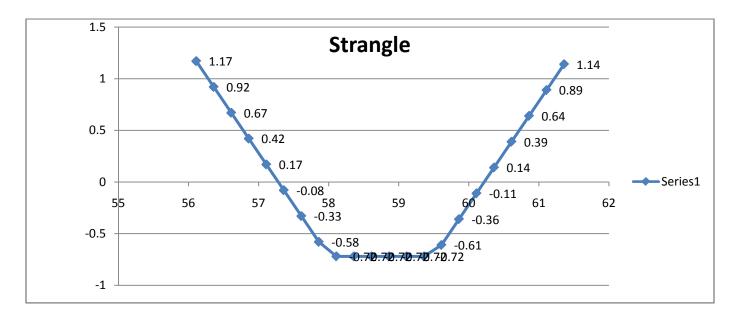
Derivative strategy Long strangle: Reason: USD-INR expected to remain highly volatile.

Buy USDINR call strike price 59.50 July @ 0.42 Paisa

Buy USDINR Put strike price 58 July @0.25. Future price – July 59.13.

Net Debit	Maximum Risk	Maximum Reward	Breakeven down	Breakeven up
0.72	0.72	Uncapped	57.28	60.22

Futures	Payoff_Longcall	Payoff_Longput	Net
56.11	-0.42	1.59	1.17
56.36	-0.42	1.34	0.92
56.61	-0.42	1.09	0.67
56.86	-0.42	0.84	0.42
57.11	-0.42	0.59	0.17
57.36	-0.42	0.34	-0.08
57.61	-0.42	0.09	-0.33
57.86	-0.42	-0.16	-0.58
58.11	-0.42	-0.3	-0.72
58.36	-0.42	-0.3	-0.72
58.61	-0.42	-0.3	-0.72
58.86	-0.42	-0.3	-0.72
59.11	-0.42	-0.3	-0.72
59.36	-0.42	-0.3	-0.72
59.61	-0.31	-0.3	-0.61
59.86	-0.06	-0.3	-0.36
60.11	0.19	-0.3	-0.11
60.36	0.44	-0.3	0.14
60.61	0.69	-0.3	0.39
60.86	0.94	-0.3	0.64
61.11	1.19	-0.3	0.89
61.36	1.44	-0.3	1.14
61.61	1.69	-0.3	1.39
61.86	1.94	-0.3	1.64
62.11	2.19	-0.3	1.89
62.36	2.44	-0.3	2.14



The Outlook

- USD-INR July future resisted 59.42 levels and moved below 57.84 levels last weeks. In the month of July 2013 USD-INR is expected to trade volatile.
- In next week USD-INR July 13 is expected to resist around 59.42-59.50 levels and expected to move downside 58.50-58.
- If the pair will breached above 59.50, than it will find resistance in the zone of 59.80-60.20 levels with immediate support around 59.42 levels, which is quite strong levels.

Conclusion: Through the above strategy one should make max profit Rs. 1.17 if USDINR moves below 56.10 levels while if it moves above 61.10 max profit will be 0.89 paisa or above.

However, If USD-INR remains between range of 59.61-58.11, then loss will be limited to the total premium paid = 0.72 paisa.