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*Such representations are not indicative of future results.

Investment in securities market are subject to market risks, read all the related documents carefully before investing.

Introduction to **CURRENCIES**



➤ Why Currencies

- o Driven by macro fundamentals
- o Longer Trading Hours - Up to 5:00 PM
- o Lower Capital Requirement. 2.5% Margins (Approx ₹ 2000/Lot)
- o Can trade in Options as low as ₹ 100 as investment
- o Lower margins give the benefit of a higher ROI
- o Lower volatility means lower risk
- o RBI interventions cushion extreme volatility

➤ Benefits of Currency Trading



▶ Higher Leverage*

40-50X Leverage (2-2.5% Margin)



▶ Swing Trading

Predictable Short-Term Movements makes this ideal trading asset



▶ Arbitrage

Trade in multiple currencies and spreads to maximize opportunities



▶ High ROI

Lower investment makes the ROI higher

*As per the margin levied by exchanges

Trading Hours:

Monday - Friday
9:00 AM - 5:00 PM

Monthly Expiry:

Expires Monthly, two days before last working day

Settlement:

Cash settled at the RBI reference rate on expiry (non - deliverable)



Lowest Impact Cost:

¼ Paisa (0.0025)
Bid-Ask Spread in USDINR (₹ 2.5/lot)

Weekly Expiry:

Expires every Friday, at 12:30 PM

Expiry Closing Price:

RBI Reference Rate (Spot Price) at 12:30 PM on Expiry Day

Research Offering



Daily Currency Report



Weekly Currency Report



Monthly **Canvas** Report



Daily And Weekly **Technical Level Playing Sheet**



Pick of the Day - Strategy



Weekly and Monthly **Currency Option Analysis**



Technical and Fundamental WhatsApp Update



Insight report - Event based report



Pathfinder - A Techno Fundamental outlook



Regular Educational Webinars / Seminars by Research Experts



Dedicated Advisory Services for Corporates and High Net worth Individuals

Contract Specifications

INR Pairs

Currency Pair	Exchange	Price quotation	Lot size	P&L per 1 Tick (0.0025) Change	Approx Margins %	Approx Margins in Rupees	Futures Contract Available For Trading	Options Available For Trading
USDINR	NSE/BSE	₹Per 1 \$	\$1,000	₹2.50	2.50%	₹2,000	Monthly & Weekly	Monthly & Weekly
EURINR	NSE/BSE	₹Per 1 €	€1,000	₹2.50	2.50%	₹2,500	Monthly & Weekly	Monthly
GBPINR	NSE/BSE	₹Per 1 £	£1,000	₹2.50	3.00%	₹2,500	Monthly & Weekly	Monthly
JPYINR	NSE/BSE	₹Per 100 ¥	¥100,000	₹2.50	3.50%	₹2,500	Monthly & Weekly	Monthly

Cross Currency Pairs

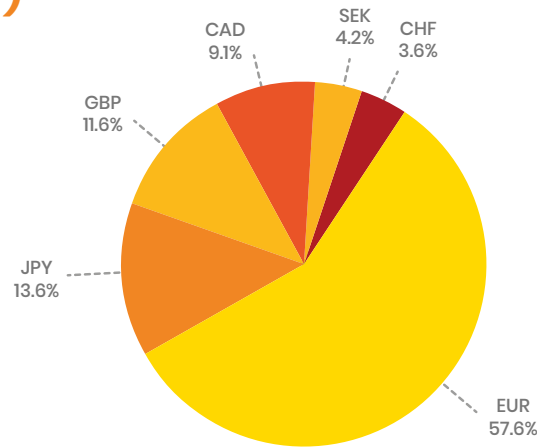
Currency Pair	Exchange	Price quotation	Lot size	P&L per 1 Tick (0.0025) Change	Approx Margins %	Approx Margins in Rupees	Futures Contract Available For Trading	Options Available For Trading
EURUSD	NSE/BSE	\$Per 1 €	\$1,000	₹2.50	3.50%	₹3,000	Monthly & Weekly	Monthly
GBPUSD	NSE/BSE	\$Per 1 £	€1,000	₹2.50	3.50%	₹3,000	Monthly & Weekly	Monthly
USDJPY	NSE/BSE	¥100 Per 1 \$	£1,000	₹2.50	3.50%	₹3,000	Monthly & Weekly	Monthly

** Margins are subjected to change as per exchange guidelines
*Source: <https://www.nseindia.com/>

➤ Dollar Index (DXY)

The U.S. dollar index measures the value of the U.S. dollar relative to a basket of foreign currencies.

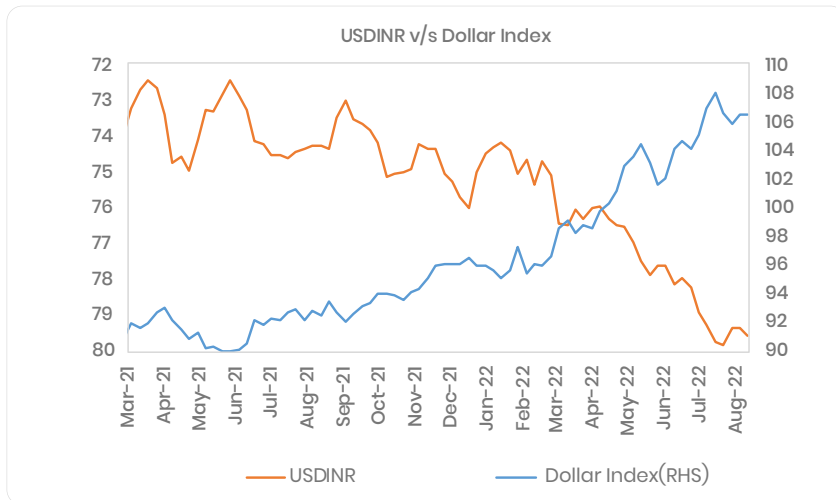
DXY is inversely correlated with other currency pairs, including the Indian rupee



e.g. if the DXY rises by 100 bps, EUR & USD is likely to fall by around 60 bps.

*Source: <https://www.investopedia.com/terms/u/usdx.asp>

➤ Chart of Dollar Index & USDINR



*Source: Data from Reuters Terminal

Correlation between Dollar Index and USDINR (Inverted)

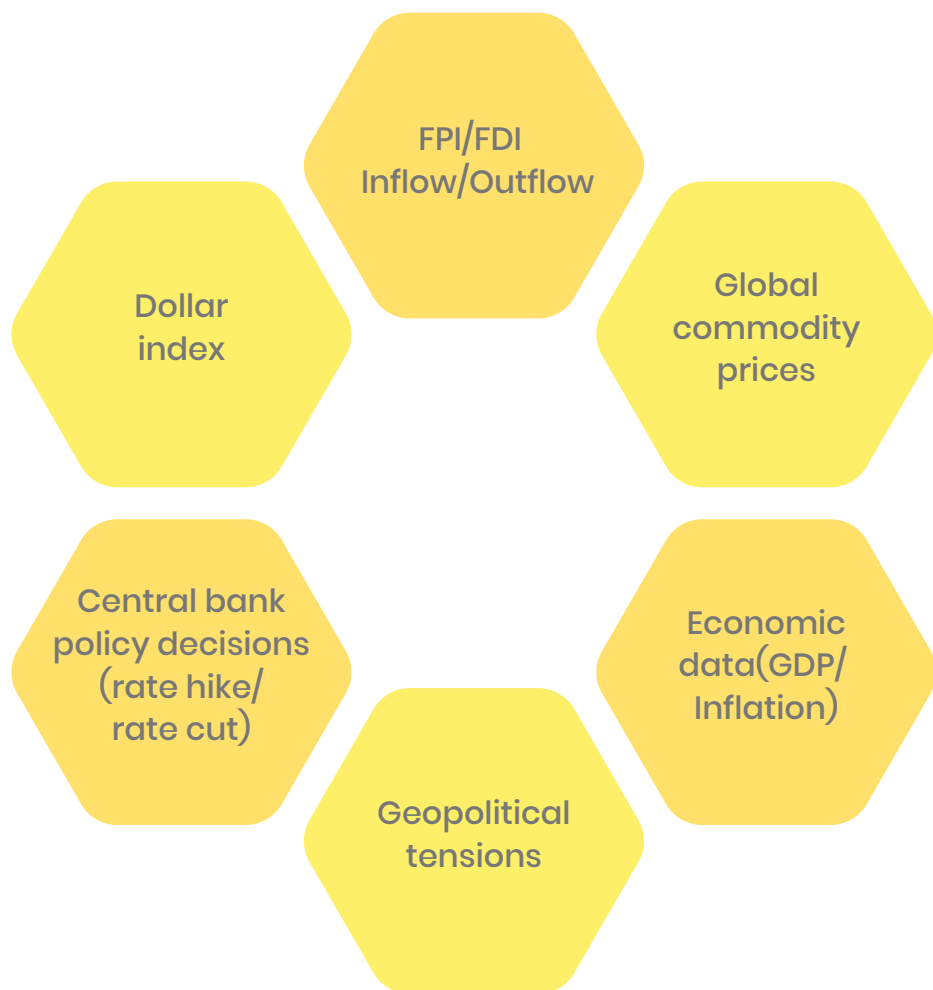
As the DXY rises, we see a similar drop in the Rupee or other major crosses

Economic Data Point Impacting Currency

Event	Definition	Country	Frequency	Importance	Impact
GDP	Gross Domestic Product measures the overall growth of the economy	India	Quarterly	High	Rupee, DXY, Euro & Pound
		US			
		EZ			
		UK			
Non-Farm payrolls	Measures the change in number of people employed during previous month, excluding the farming industry	US	Monthly (First Friday)	High	DXY & Euro
Unemployment rate	Measures the percentage of total work force that is unemployed and actively seeking employment during previous month	US	Monthly (First Friday)	High	DXY & Euro
Inflation	Measures the change in price of goods and services from perspective of the consumer	US,	Monthly	High	Rupee, DXY, Euro, Pound & CNY
		China,			
		Euro zone,			
		UK, India			
Service & Manufacturing PMI	Measures the activity level of purchasing managers in services and Manufacturing sector	Euro zone	Monthly	High	Rupee, DXY, Euro, Pound & CNY
		UK			
Imports & Export	Import/Export data measures any good or service brought/sold from one country to another country	US,	Monthly	High	Rupee, DXY, Euro, Pound & CNY
		China,			
		Euro zone,			
		UK, India			
Retail Sales	It's the primary gauge of consumer spending, which accounts for the majority of overall economic activity	US,	Monthly	High	DXY, Euro & Pound
		Euro zone,			
		UK			
Central Bank Policy Statement	It provides valuable insight into the bank's view of economic conditions and inflation	US, China, Euro zone, UK, India	-	High	Rupee, DXY, Euro, Pound & CNY

*Source: <https://www.forexfactory.com/>

➤ Factors Impacting USDINR



➤ Introduction to Currency Options:

- o In an options transaction, the purchaser pays the seller (the writer of the option) an amount for the right to buy (in case of 'call, options) or for the right to sell (in case of 'put, options). This amount is known as the '**Option Premium**'.
- o **Premium is the cost of the option paid by the buyer to the seller.** Since the buyer is paying the Premium to the seller, he has the right to exercise the option when it is favourable to him but has no obligation.

Rights and obligations summarized			
Party	Long (Buy)	Counterparty	Short (Sell)
Call Buyer	Right to Buy	Call Seller	Obligation to Sell to call buyer
Put Buyer	Right to Sell	Put Seller	Obligation to Buy from put buyer

Risk & Reward in Commodity Options		
Position	Maximum Risk	Maximum Reward
Long Call	Limited to premium	Unlimited
Short Call	Unlimited	Limited to premium
Long Put	Limited to premium	Unlimited
Short Put	Unlimited	Limited to premium

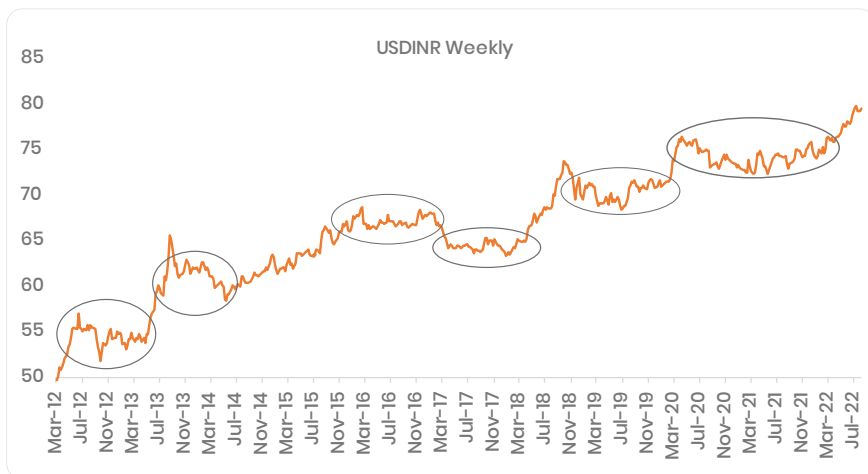
➤ Currency Option – Yet Unexplored!

- o Lower volatility makes it a highly preferred segment for Options Sellers
- o Provides an enormous opportunity to traders
- o Premium of ATM USDINR options is as low as ₹ 400 to ₹ 500 at the beginning of expiry
- o Liquidity available in weekly & monthly expiry

Average Daily Volatility	0.25-0.30
% Daily Volatility	0.40-0.50%
Average Monthly Range	₹ 1.25-1.50
% Monthly Volatility	1.50-2.00%

➤ USDINR Price Chart

USDINR has depreciated over 50% in the last 10 years, but there have been many instances where the pair has consolidated for week giving option writers an added edge.



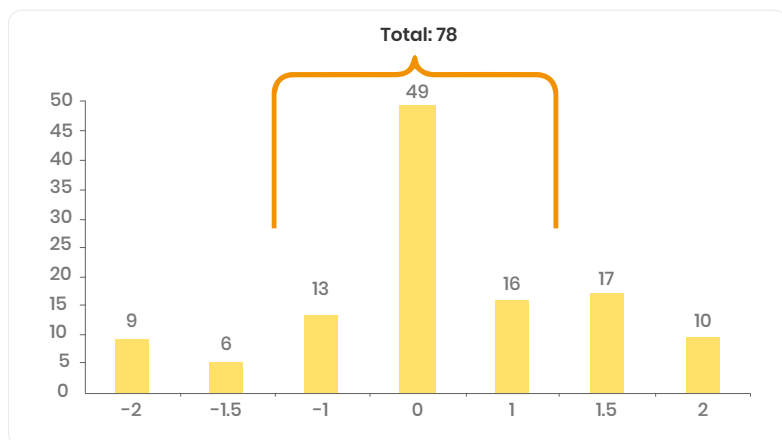
*Source: Data from Reuters Terminal

➤ Executable strategies

Straddle, Strangle, Bull Call Spread, Bear Put spread etc.

➤ Last 10 yrs MoM Change in USDINR

The below graph represents the move in USDINR for the last 10 years (120 months). 0 indicated the pair opened and closed around a similar range, i.e. 45 weeks. -1 and 1 indicate the pair opened and closed within a Re.1 range, i.e. 22 times at -1 and 26 times at 1.



*Source: <https://www.nseindia.com/>

➤ Comparative analysis

USDINR		75.00			
Margin(₹)	2,200	Avg Ivs(%)	7	Time to Expiry (Days)	25
Strike		Combined Premium Recievable(Rs /\$)	Premium Decay/Theta Decay	Premium on Inv(%)	
Call	Put				
ATM	75.00	75.00	0.80	0.03	36.4
0.75	75.75	74.25	0.40	0.02	18.2
1.25	76.25	73.75	0.25	0.01	11.4

Bank Nifty		41,000			
Margin(₹)	1,50,000	Avg Ivs(%)	25	Time to Expiry (Days)	25
Strike		Combined Premium Recievable(Rs /\$)	Premium Decay/Theta Decay	Premium on Inv(%)	
Call	Put				
ATM	41,000	41,000	2,400	96	40.0
1,800	42,800	39,200	1,000	40	16.7
3,000	44,000	38,000	500	20	8.3

Nifty		18,000			
Margin(₹)	1,50,000	Avg Ivs(%)	20	Time to Expiry (Days)	25
Strike		Combined Premium Recievable(Rs /\$)	Premium Decay/Theta Decay	Premium on Inv(%)	
Call	Put				
ATM	18,000	18,000	600	24	10.0
800	18,800	17,200	200	8	3.3
1400	19,400	16,600	80	3	1.3

as awarded by



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