



# **FX DERIVATIVES- TRADER'S GOLD MINE**

# HOW BIG IS THE FX MARKET?

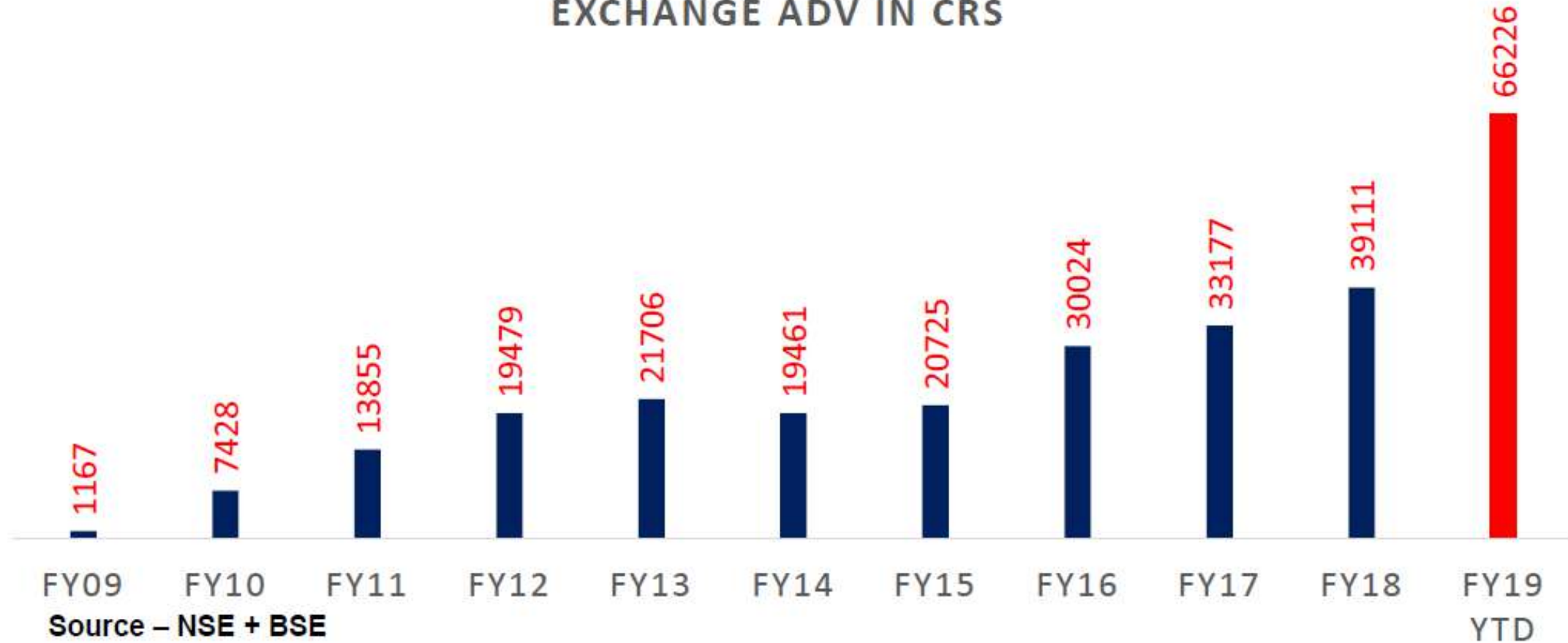


Source: Dailyfx

# EXCHANGE TRADED FX VOLUMES



## EXCHANGE ADV IN CRS



# WHY CURRENCY DERIVATIVES



- **LOWER MARGIN REQUIREMENT**

<b>INSTRUMENT</b>	<b>MARGIN</b>
USDINR FUTURES	3%
NIFTY FUTURES	11%

- **NO BULL & NO BEAR MARKETS**

- **LONGER TRADING HOURS**

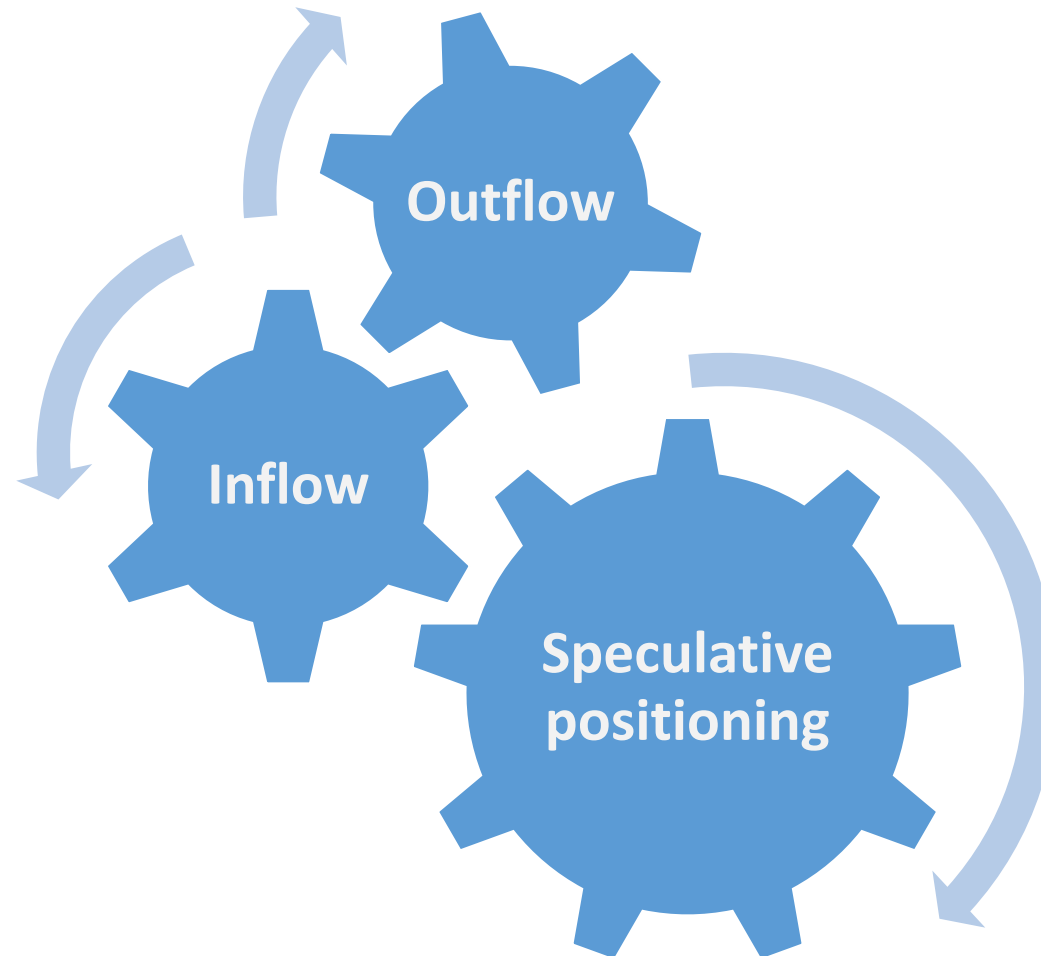
# USDINR CONVENTIONS



- **CURRENCIES TRADE IN PAIRS OR RATIOS. USDINR MEANS, USD AGAINST INR**
- **USDINR @ 74.00 MEANS 1 \$ = 74 INR**
- **IF USDINR MOVES TO 75.00, IT MEANS, \$ HAS APPRECIATED AGAINST INR AS ONE CAN GET MORE RUPEES FOR SAME \$**
- **IF USDINR MOVES DOWN TO 73.00, IT MEANS, \$ HAS DEPRECIATED AGAINST INR**

# WHAT IS DRIVING RUPEE

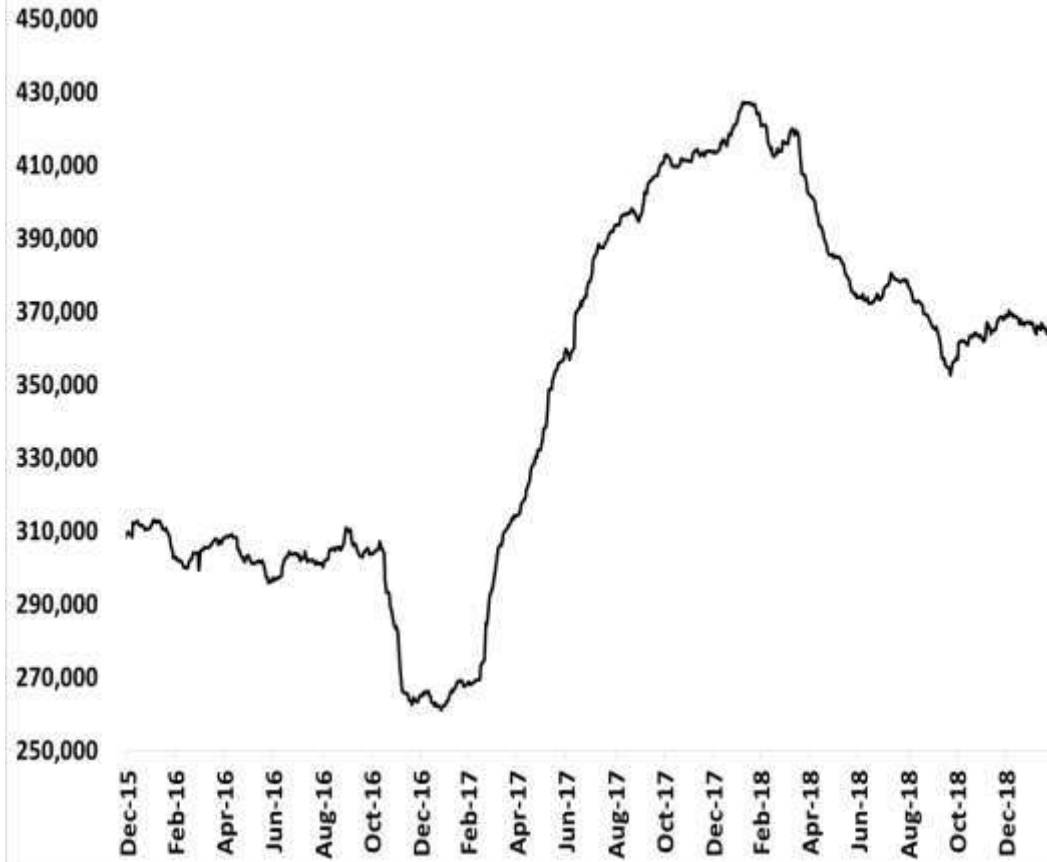
# FLOWS & POSITIONING DRIVES INR



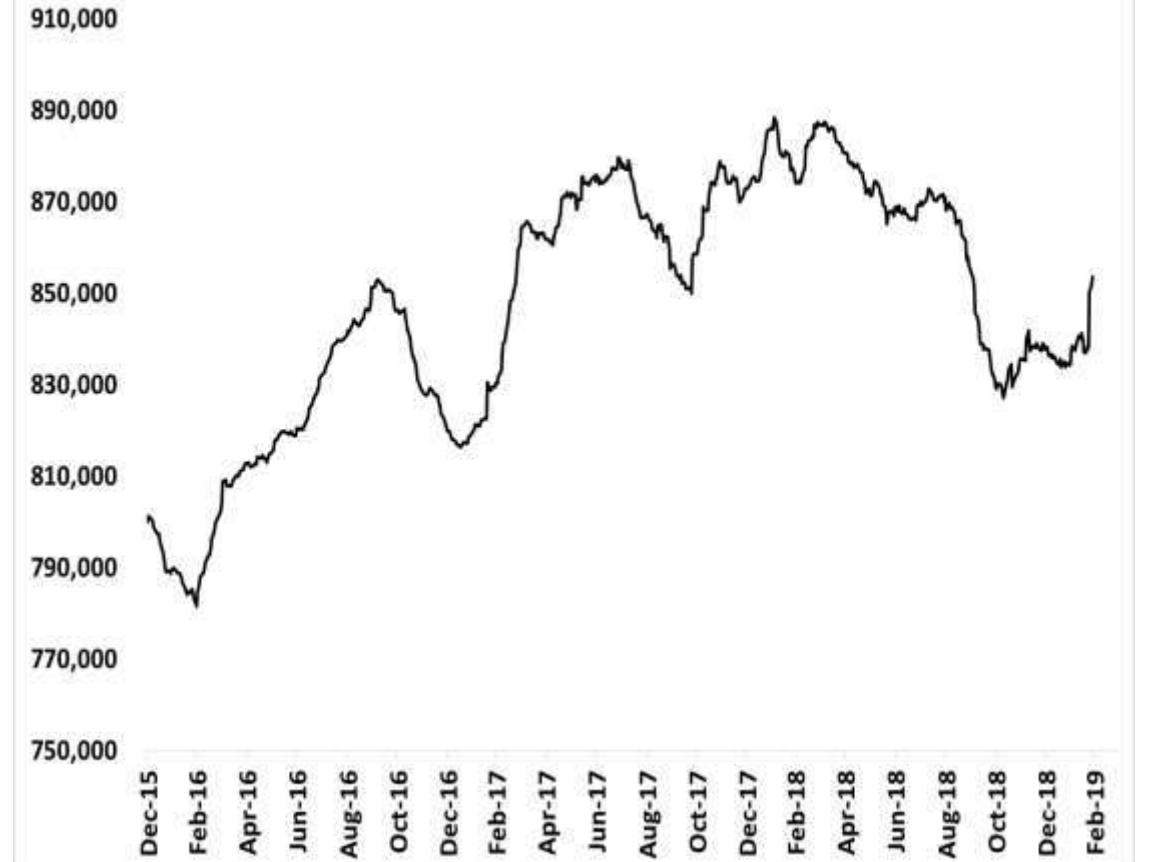
# FLOWS IN DEBT & EQUITY



FII INVESTMENT IN DEBT - DOLLAR MILLION

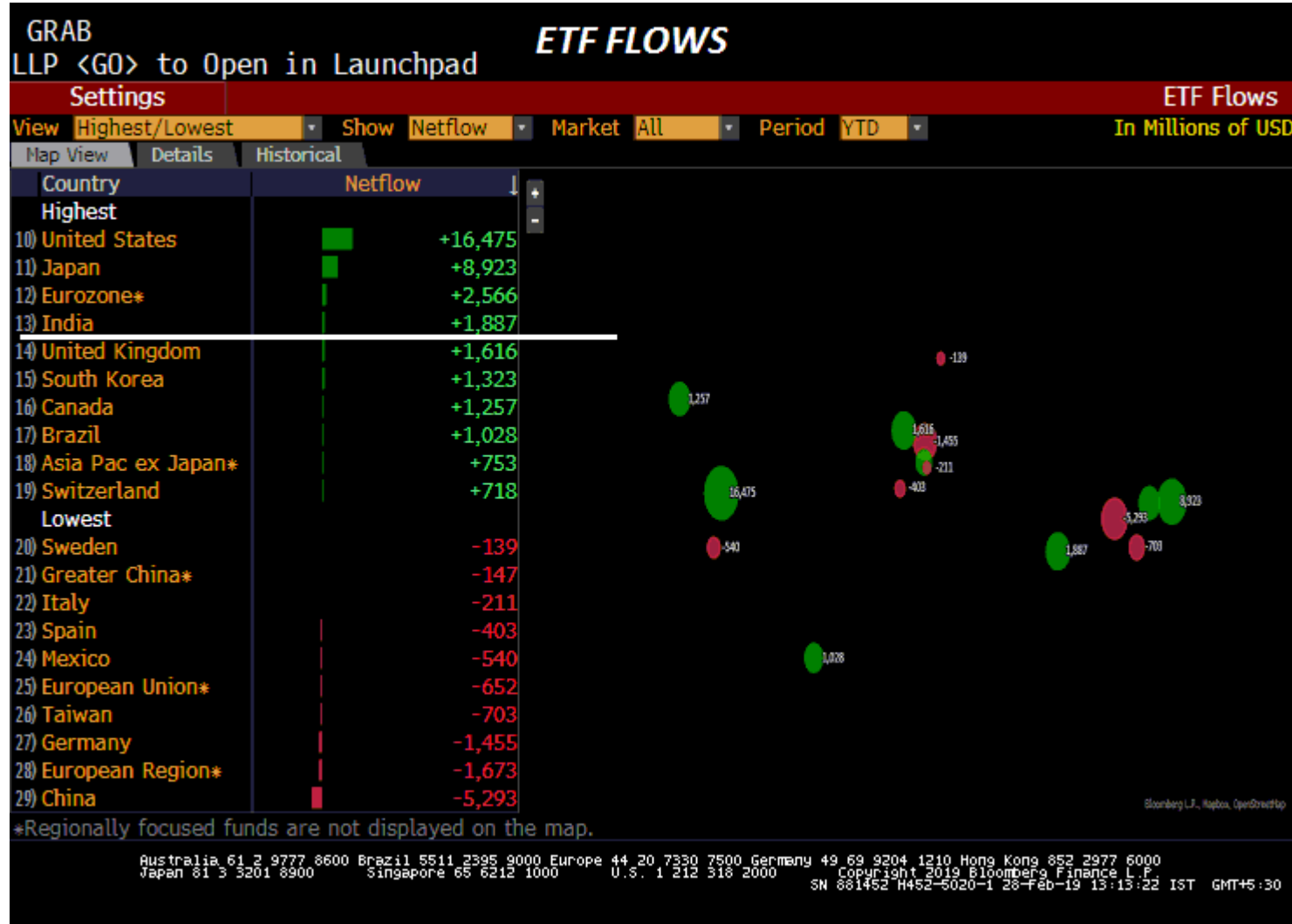


FII INVESTMENT IN EQUITY - DOLLAR MILLION

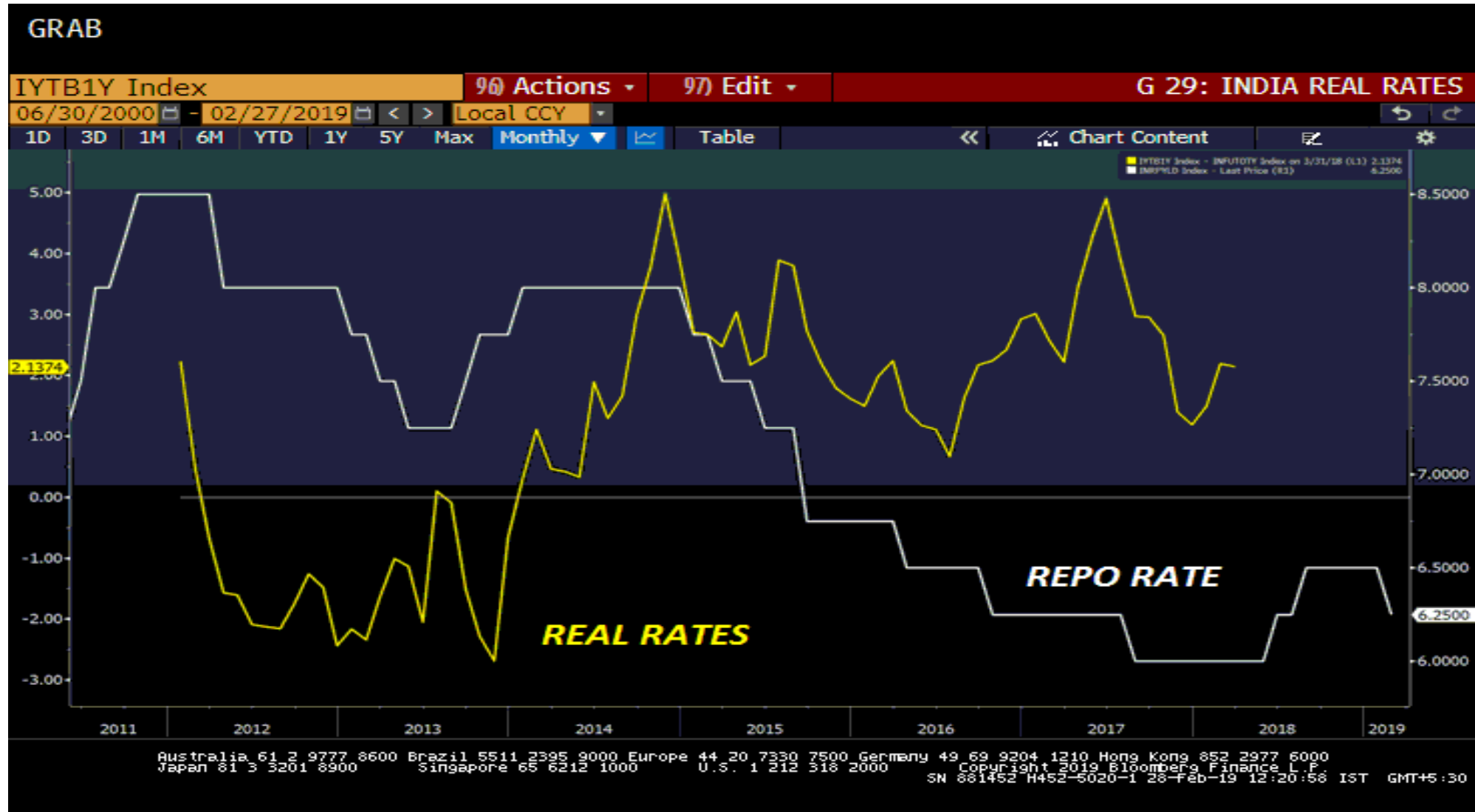




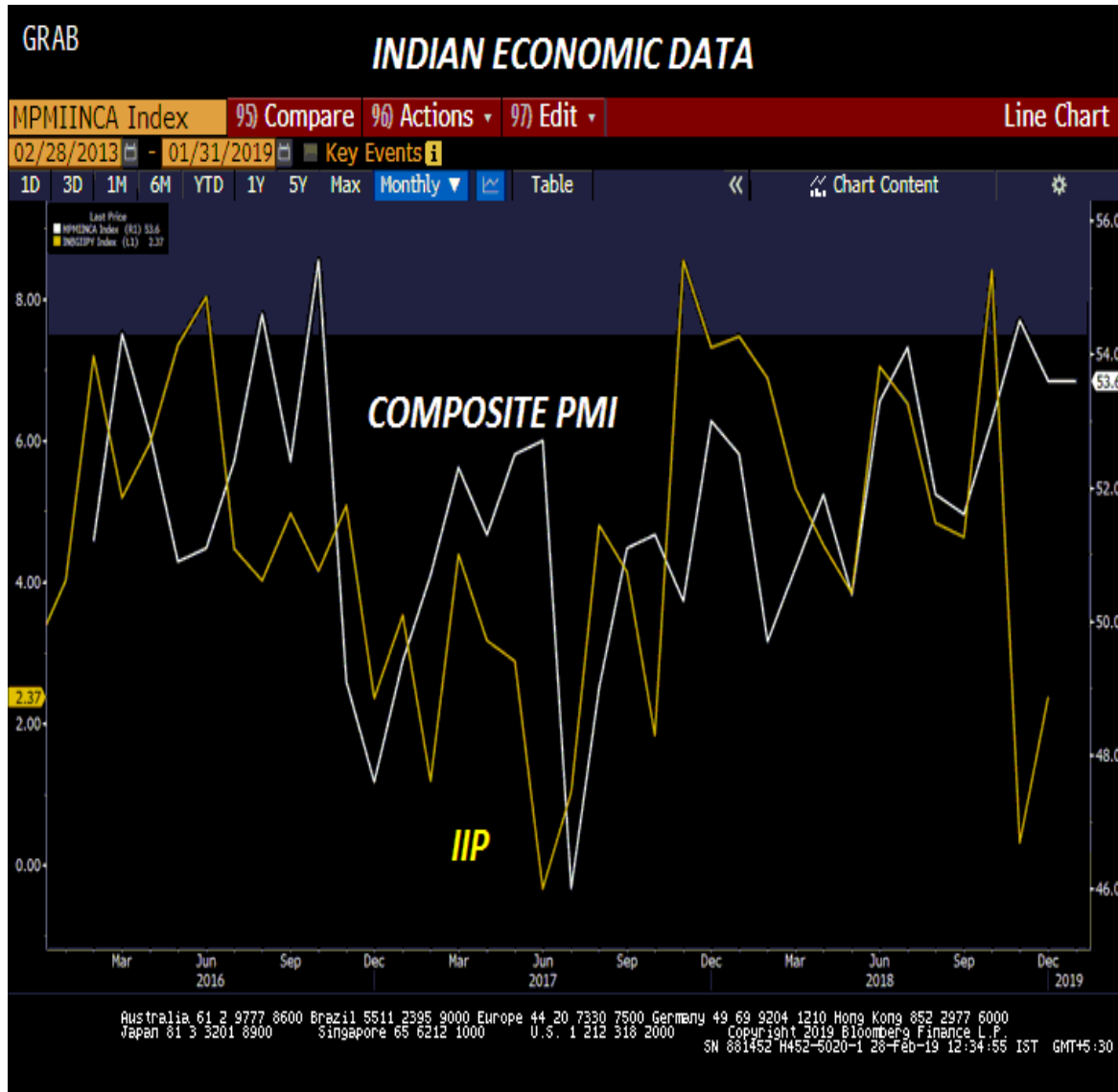
# ETF FLOWS



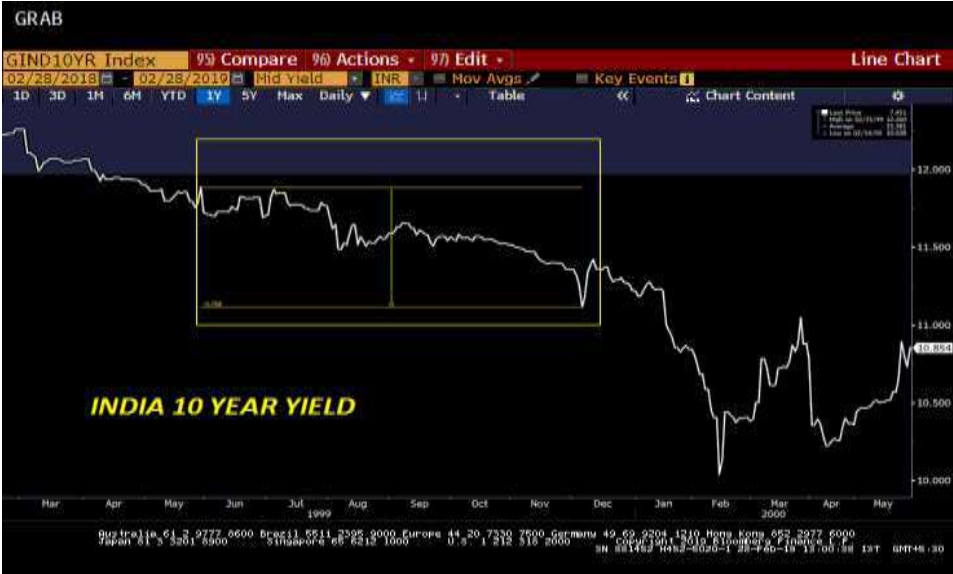
# REAL RATES AND RBI POLICY



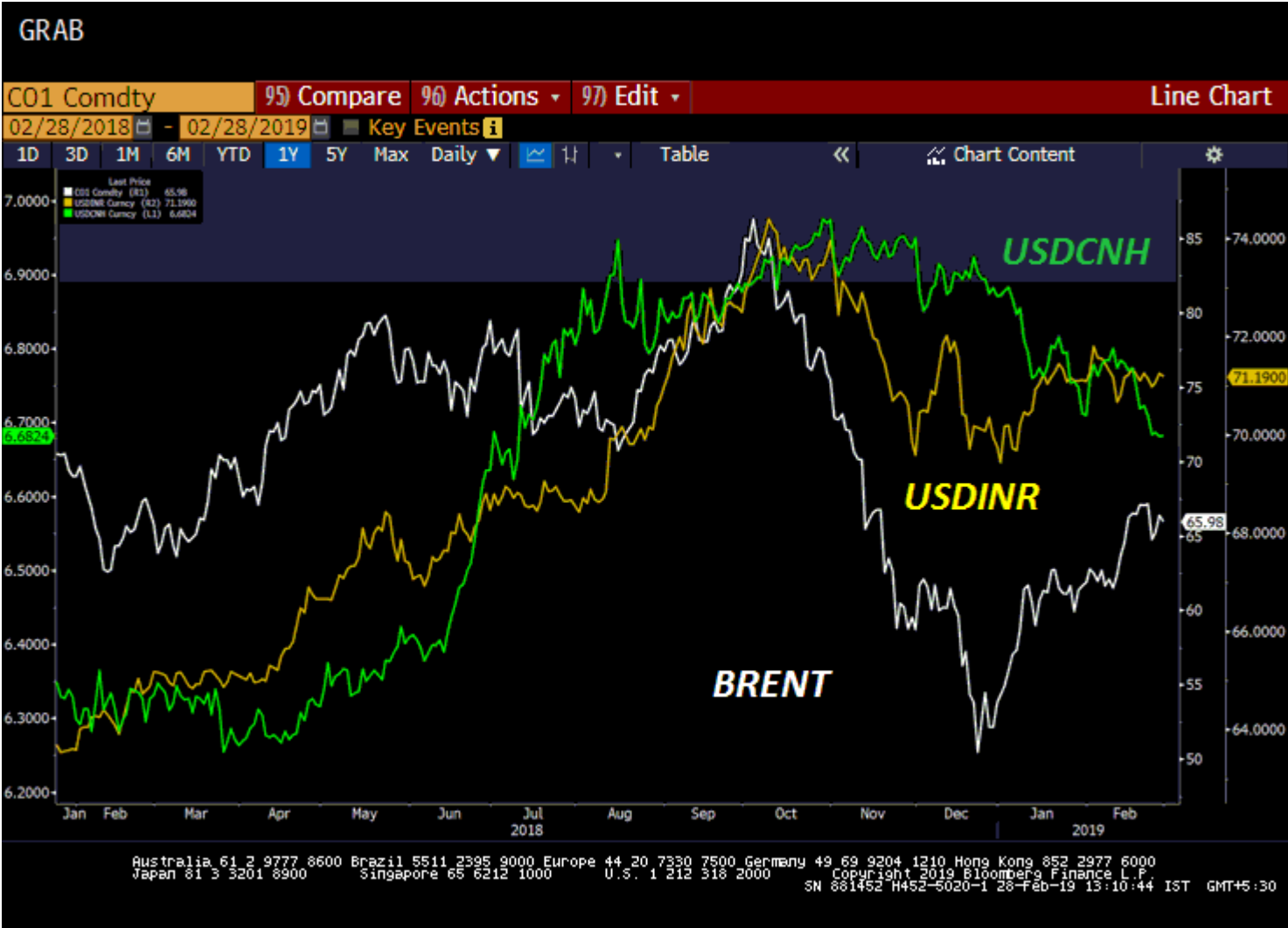
# INDIA'S GROWTH TRAJECTORY



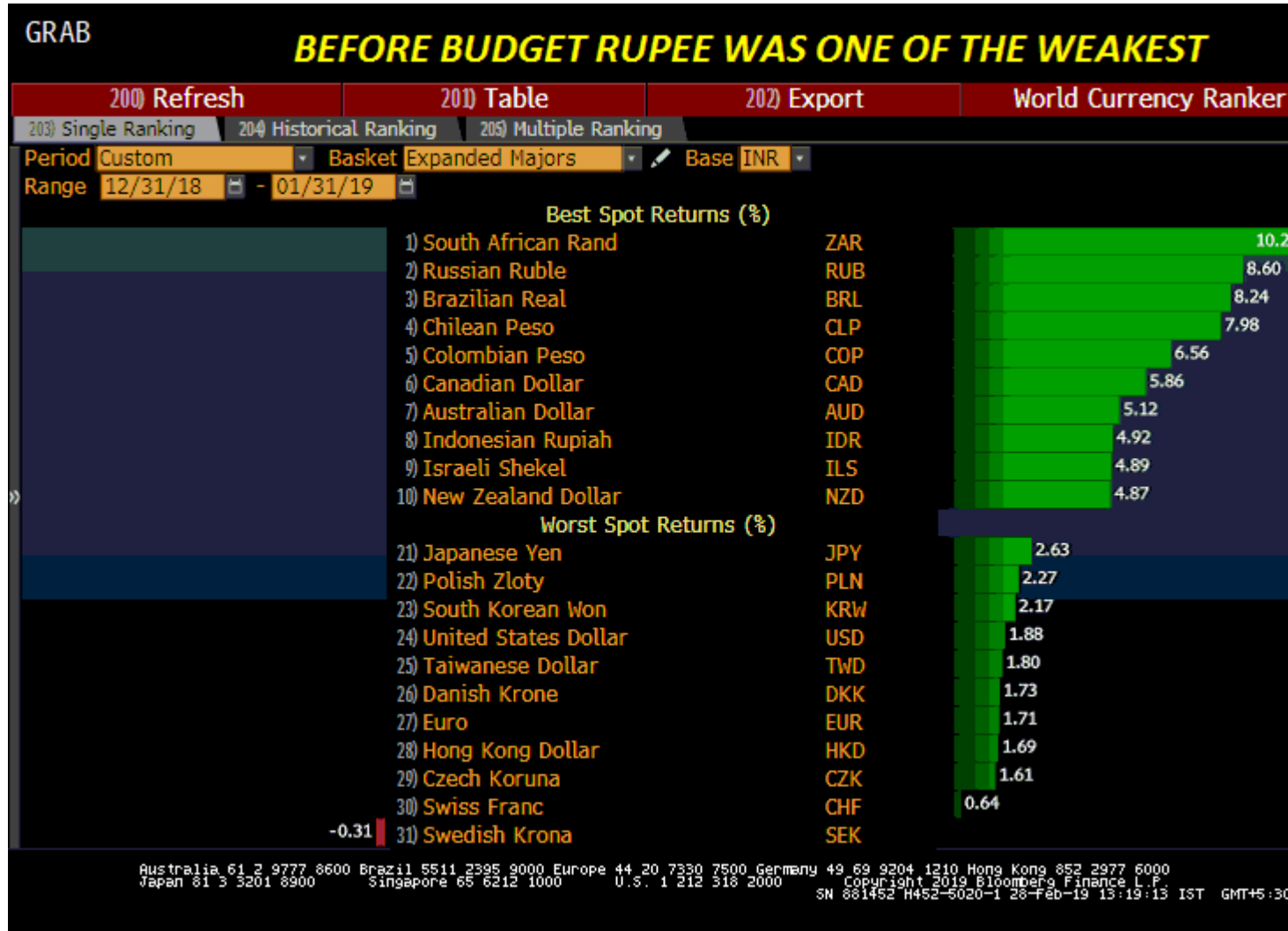
# DURING KARGIL WAR OF '99



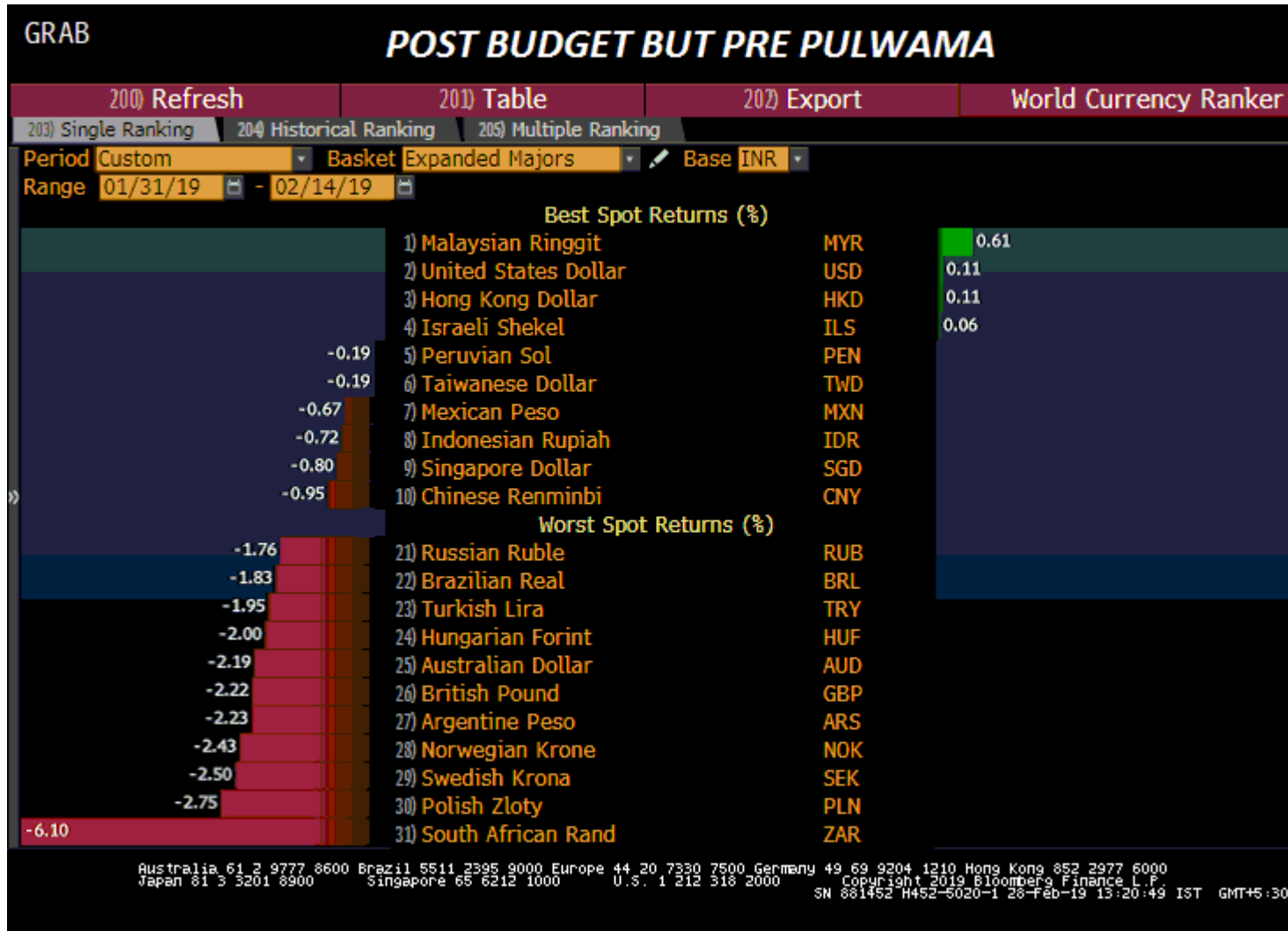
# HOW OIL & CNH IMPACTING RUPEE



# CHANGING SHADES OF RUPEE

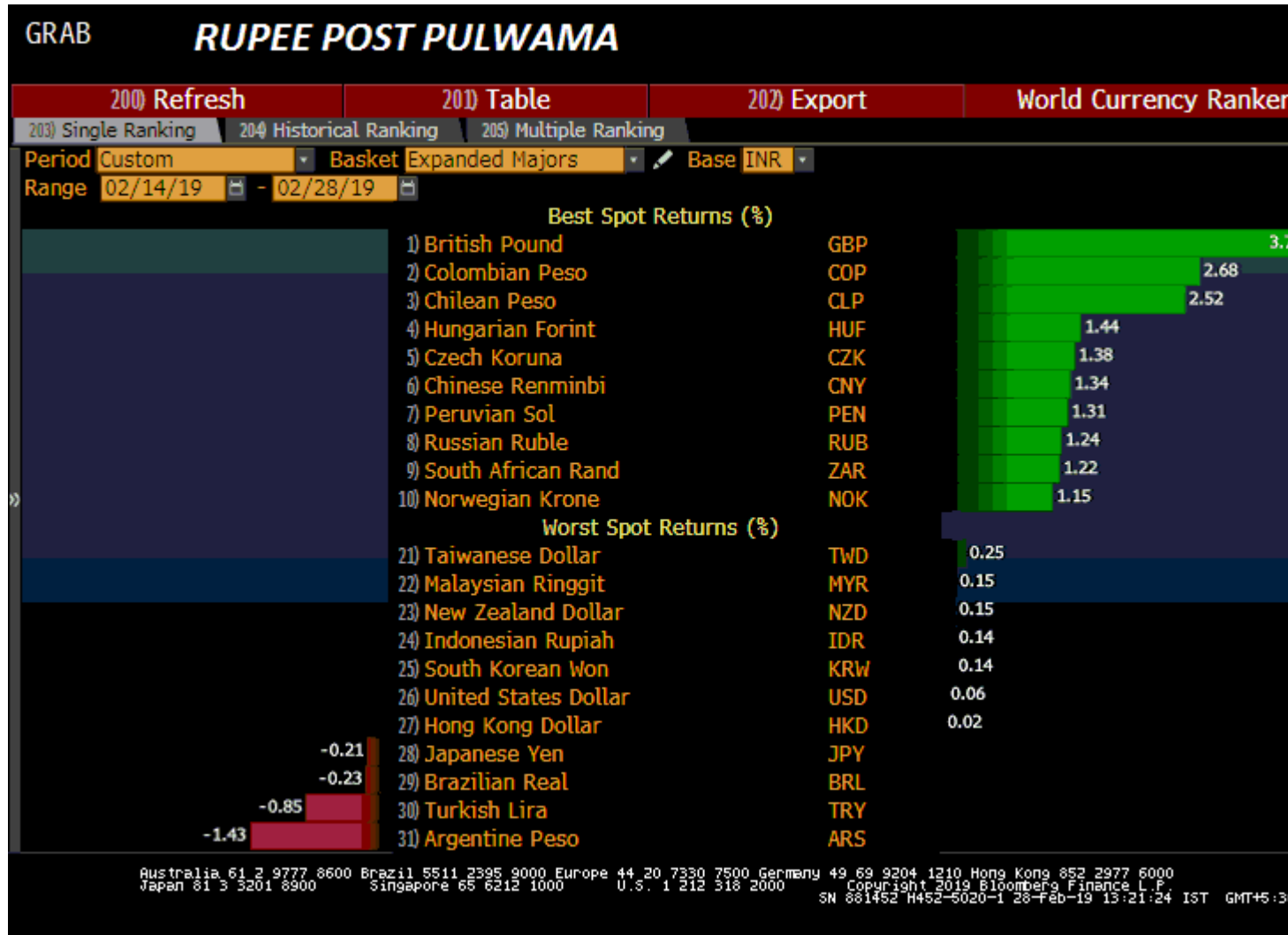


# CHANGING SHADES OF RUPEE





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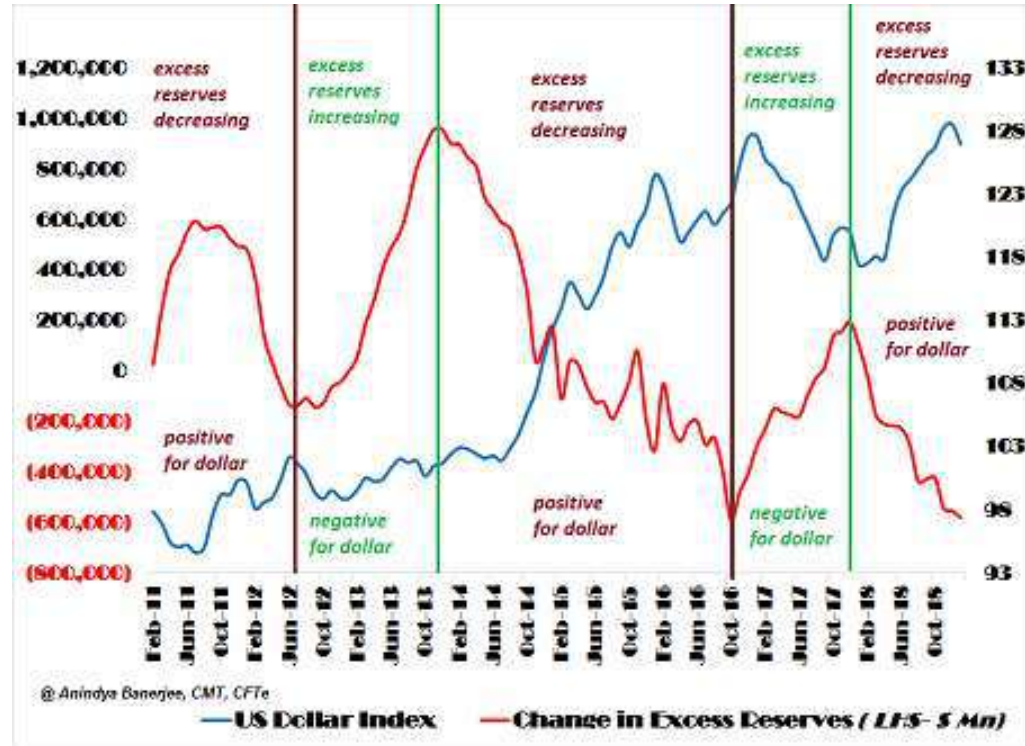




# S&P 500 & OIL PRICES



# DOLLAR, FED & ECONOMIC DATA

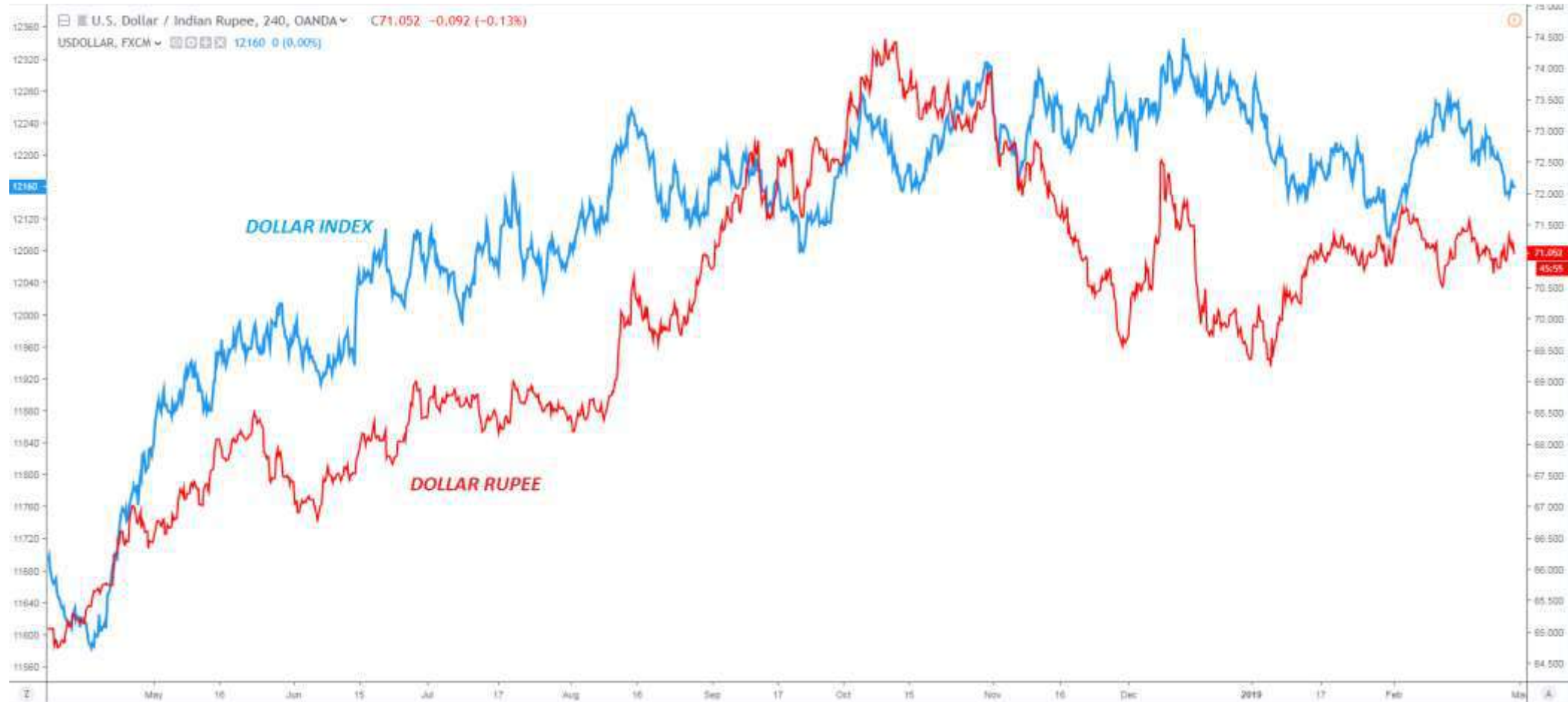


**PHASE A:- DURING THE SECOND OF HALF 2017, DOLLAR IGNORED IMPROVING ECONOMIC MOMENTUM IN US, COULD BE DUE TO THE FACT THAT EXCESS LIQUIDITY WAS STILL INCREASING, WHICH PEAKED AROUND DEC 2017**

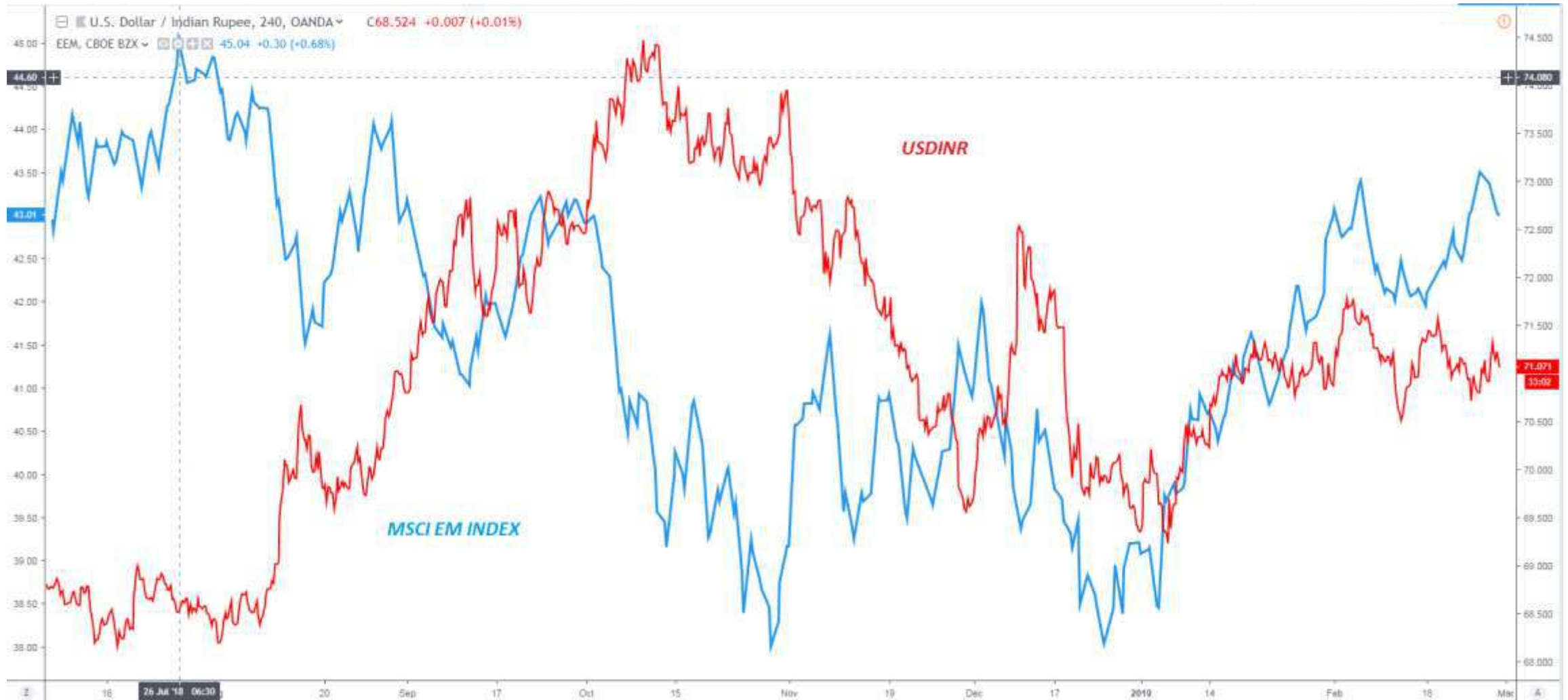
**PHASE B: US Dollar has refused to sell-off inspite of a horrendous economic momentum, could be due to excess reserves, which is still contracting, thanks to Fed's QE**

**KEEP AN EYE ON BOTH THESE INDICATORS : EXCESS USD RESERVES & ECONOMIC SURPRISE INDEX**

# DOLLAR INDEX & RUPEE



# MSCI EM EQUITY & RUPEE





# USDINR CHART



# EURINR CHART



# GBPINR CHART



# JPYINR CHART





# MISTAKES

# MISTAKES



**1. NOT HAVING STOP LOSSES**

**2. TRYING TO PLAY CARRY TRADE AT THE WRONG TIME**

**3. AVERAGING IN LOSSES**

**4. TAKING TOO LARGE A POSITION**

# INDIAN STOCKS AT MAJOR SUPPORT



# QUESTIONS

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