

ANAND RATHI

CURRENCIES



Why Currencies ?

Currency trading market is one of the largest and most rapidly developing markets on the planet. On a single day, currencies have a turnover of more than \$2.5 trillion (That's typically 100 times more than the turnover of NASDAQ). Currency trading is commonly referred to as foreign exchange, Forex or FX for short. All currencies are traded to a value relative to other currencies on the planet. Currency trading uses the purchase and sale of currency to leverage the shifts in this relative value into profit.

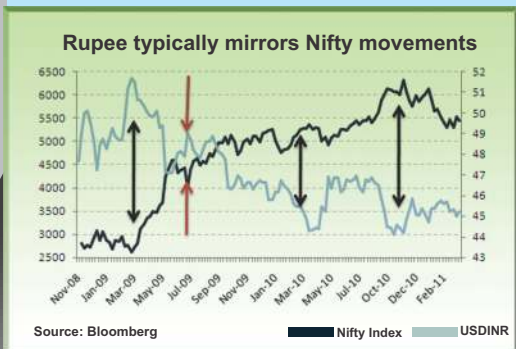
Currency trading has significant real benefits over trading equity. The spread difference for currency trading is very low, which in turn reduces the cost to a trader. Currency markets provide leverage up to 50 times on the margin capital making it trader friendly. The leverage offered is higher than that in the equity markets.

Till recent times, the traditional currency forward market was open to only people who regularly imported and exported goods through the banking channel. Only genuine importers and exporters were allowed to exchange currencies to cater to their business and hedging needs. With the introduction of Futures and Options contract this has now changed to also include everyone from an exporter/importer to a speculator. Currency markets are closely monitored and regulated by RBI and SEBI.

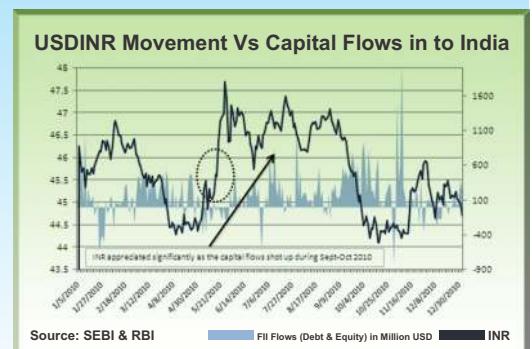


How does the Rupee move ?

Usually, the USDINR pair & the Nifty have mirror moves, showing an inverse correlation, which can be clearly seen in the chart below i.e. Weakness in the USDINR will be reflected in NIFTY strong returns and vice versa. USDINR is seen to have a 0.644 correlation with the Nifty. Also, when the FII flows are flowing into the domestic markets, the local currency is seen strengthening and vice versa.



According to performance cycles, an asset will always outperform or underperform the other asset. That's where our job comes in to inform you of these crucial movements as what matters is really not correlation, but which of the assets is outperforming the other and **WHEN !**



Fundamental Factors that affect Currency movements



Why AnandRathi ?

Cutting Edge Research

Cutting edge fundamental and technical analysis, for all the domestic pairs and major international crosses. A good trading advice from an experienced team of analysts is what makes us stand out among competition

1

Better Execution

Our expert dealers and dedicated Relationship Manager makes possible a smoother and efficient trade execution for offline clients

2

State-of-the-Art Trading System

Our online platform is a state of the art system which makes it possible to trade Stocks, Commodities and Currencies across exchanges with one login, and provides advanced tools like charts and news for online clients*

3

24x7 Back-Office Access

High level of end to end transparency is made available by the 24 X 7 access to the back office makes easy for you to keep updated

4

We Offer



Trading Hours:

Monday - Friday 09:00 - 17:00 hrs

Tick Size:

¼ Paisa (Rs.0.0025)

Trading Cycle:

12 month trading cycle

Expiry:

Two days prior to last working day of expiry month

Settlement:

Cash settled at the RBI reference rate on expiry (Non-Deliverable)

Contract Specification

Currency Pair	Price Quoted	Lot Size
Futures		
USDINR	Rupees per 1\$	\$ 1000
EURINR	Rupees per 1€	€ 1000
GBPINR	Rupees per 1£	£ 1000
JPYINR	Rupees per 100 ¥	¥ 100,000
Options		
USDINR	Rupees per 1\$	\$ 1000

**Who can trade?**

All resident Indians and entities, no need to have underlying exposure

What happens on expiry?

The contract will be cash settled and no deliveries will be needed

Can I short sell, without underlying?

Yes, you do not need to show underlying exposure to trade on the exchange since these are typical derivative instruments

But, I don't understand Currency Options?

We regularly advise clients on Currency Option Strategies. We create and provide a scenario analysis of our strategy on most cases. Be it buying a Put or Call Options or Writing Put or Call Options

**Trade with the EXPERTS**

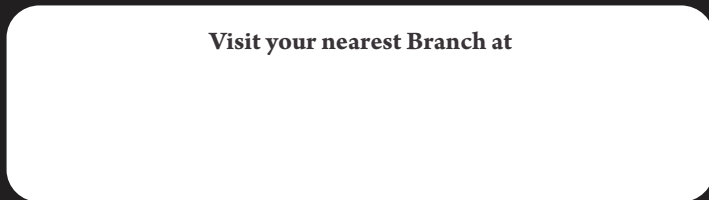
We are one of the leading brokers in exchange traded currency futures.

Specialized and committed team of experts at our end would help you take informed trading decisions with confidence.

Give us a chance to tell you how this new market can make a difference to your business or investment needs.

Our financial planners would be eager to help you arrive at a right strategy to hedge your forex risk.

Visit your nearest Branch at



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 2009, 2010 & 2011

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EXCHANGE & SEBI REGISTRATION NOS: MCX-SX - INE260676935; NSE – CDS - INE230676935; USE – INE270676930

EXCHANGE & FMC REGISTRATION NOS: MCX – 10875 / 0525; NCDEX – 147 / 0178; NMCE – NMCE/TCM/CORP/0049; NATIONAL SPOT EXCHANGE- 10570; NCDEX SPOT EXCHANGE - CR-10-10050; ICEX – 1132 / ICEX/TCM/CORP/0124;

*Commodities investment through Anand Rathi Commodities Ltd.

Disclaimer : All Investments are Subject to Market Risk. This document does not constitute any offer to Buy or Sell any particular Currency or Commodity Instrument. Please refer to the Risk disclaimer documents on www.rathionline.com before investing.