

PCS Securities Ltd
Elegant Embassy, 12th Main Road,
Jayanagar 3rd Block,
Bangalore-560011



CERTIFICATE

This is to certify that **Mr. Yashas S R** (USN: 1AZ16MBA81) MBA Student from Acharya Institute of Technology, Soldevanahalli, Bangalore, He has successfully completed his Internship And project training titled “**A Study on analysis of future contract in currencies**” in our company “**PCS Securities limited**” from January 15th 2018 to march 24th 2018.

We have noticed that, during the period, he has shown keen interest in his assignments and was also regular in attendance We wish all the best for his future Endeavour's.

PCS SECURITY
Elegant Embassy,
12th Main Road,
Jayanagar 3rd Block,
Bangalore-560011


For PCS securities Ltd

Date:04/04/2018

Rakesh M K

Place: Bangalore

Broker



ACHARYA INSTITUTE OF TECHNOLOGY

(Affiliated to Visvesvaraya Technological University, Belagavi, Approved by AICTE, New Delhi and Accredited by NBA and NAAC)

Date: 15/05/2018

CERTIFICATE

This is to certify that **Mr. Yashas S R** bearing **USN 1AZ16MBA81** is a bonafide student of Master of Business Administration course of the Institute 2016-18 batch, affiliated to Visvesvaraya Technological University, Belgaum. Project report on **“A Study on Analysis of Future Contract in Currencies at PCS Securities Ltd.” Bangalore** is prepared by him under the guidance of **Dr. Virupaksha Goud G**, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belgaum, Karnataka.

Head of the Department
Department of MBA
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Signature of Internal Guide

Signature of HOD

Signature of Principal
PRINCIPAL

ACHARYA INSTITUTE OF TECHNOLOGY
Soldevanahalli Bangalore-560 107

DECLARATION

I, YASHAS S R, hereby declare that the Project report entitled "A study on Analysis of future contract in currencies" with reference to "PCS securities ltd." Bangalore, prepared by me under the guidance of DR Virupaksha Goud, faculty of M.B.A Department, Acharya Institute of Technology, Bangalore and external assistance by Mr Rakesh M K, Sub Broker, PCS securities ltd.

I also declare that this Project work is towards the partial fulfilment of the University regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belgaum.

I have undergone a summer project for a period of Ten weeks. I further declare that this project is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University / Institution.

Place: Bangalore

Date:

Yashas . S . V .
Signature of the student

ACKNOWLEDGEMENT

I deem it a privilege to thank our Principal, Dr.Sharanabasava C Pilli, Dr. Mahesh, Dean Academics and our HOD Dr.Nijaguna for having given me the opportunity to do the project, which has been a very valuable learning experience.

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I wish to thank all the respondents from the firms who spent their valuable time in discussing with me and giving valuable information and guidance.

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EXECUTIVE SUMMARY

The project was undertaken at PCS Securities private limited. It deals with investment advisory and brokerage services. They provide the most comprehensive investment advisory services for the full range of capital market products. The objective of in plant training is to enable a better understanding of working in the organization and to develop a comparative approach between the theory and practical application.

The study has been undertaken on the topic of “A study on Analysis of Future Contract in Currencies” the main objective of the study is to know the concept of price moments.

The project report covers company profile, industry profile, theoretical background of the study, data analysis and interpretation, and provides recommendations based on the findings and the conclusion. It also contains the financial statements of the company.

The overall study includes study of four currencies like US Dollar, EURO, POUND, YEN these four currencies are taken for the concenteration in which we study about the returns about the particular stock, beta values of each stock, and finally we calculate which contract is volatile based on 1 month, 2 months, 3 months contract.

CHAPTER – 1: INTRODUCTION

CHAPTER 1

1.1 INTRODUCTION

With regards to the topic that I have taken for the purpose of analysing the shares prices with regards to the different currencies, and to come to the conclusion about the in future in what currencies we must transact to get the huge profits in the upcoming year.

Why I have chosen this topic because I am very much interested in the stock market and I like the numerics so it would be challenging to know the currencies future trading prices, along with that it also gives conclusion that which currency yields more profits in the future years.

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Topic chosen for the study:

“A study on Analysis of Future Contract in Currencies” at PCS Limited, Bangalore.

1.2 Industry profile

Stock Brokerage Firm

Stock brokerage has been established for more than 1000yrs. It deals on debt securities, bonds and stocks in various market. The growth of the firm has affected the financial sector negatively or positively with their performance in 21st century the evolution in the online trading made investors to invest in a part of stock market.

Stock brokering was most attracting management graduates and also the professional accountants in the large number. Stock brokering offers much value for the developing industry sector. The main activity of the brokers in this sector is to acquire and vend the securities in the interest of their client's guidelines.

A brokerage firm had financial institution, it facilitates between the buyer and the seller in financial securities. Brokerage firms provide the service of clientele to investors who trade public stocks and other securities, usually the business agents or through stock brokers.

History of Stock Market

During eleventh century the French started directed and exchanging horticulture obligations for the benefit of the managing an account group, they began to build up the primary financier firm. In 1300's houses they started to setup in real urban areas like Amsterdam and Flanders in which ware merchants would hold gatherings.

In 1602, the Dutch East Indian company turned into the primary traded on an open market organization, in which shareholders could possess the segment of business. The stock enhanced the extent of business and turned into the most leading figure of the current monetary framework.

Significance

In the older day's brokerage companies were set up in London Coffee House, and opportunities given to individuals for purchase of stocks from several of the organization. These activities helped in the formation of The London Stock Exchange in 1801 and designed the controls and enrollments. This framework was replicated by rest of the brokerage firms on the planet, most outstandingly in the Chestnut Street in Philadelphia. Before long, the US Exchange was stimulated to New York City and various firms like Morgan Stanley and Marill Lynch were credited to aid the expediting of stocks and securities.

Considerations

In year 1990, is the year for birth of market makers. Stock market was adopting some policy for buying and selling of securities which in turn was helping the firm to make a profit from the sale and purchase by the investors. The ultimate problem is insider trading which can share the information of setting price, and price value of stock.

Finally the Chinese walls are solving the problem of insider trading by using pervert correspondence between various offices inside the brokerage organization. This brought about increment benefits and more noteworthy interconnections with the monetary business.

Features

1. Brokerage firms are going to trade online.
2. Smaller brokerage firms like E*Trade, TD Ameritrade have been in charge of by most of the individual speculators.
3. The role of the stock brokerage firms ends up being a shelter for the future monetary business.

Bombay Stock Exchange (BSE)

In Asia, Bombay stock trade is the most established one. BSE had established in 1875, over past 140years, BSE was facilitated the development of the Indian corporate part by raising platform with proficient capital. BSE provides an proficient and clear exchange market in equity, debts instruments, derivatives and mutual funds. It has a stage to trade in equities of small and medium enterprises (SME).

More than five thousand five hundred organizations are recorded in BSE and making it world's main trade as far as recorded organizations. They additionally give a large group of their administrations to capital market members who incorporate hazard administration, clearing, settlement, market information service and instruction.

in 2000, BSE utilized the file to open its subsidiary market and began exchanging SENSEX future contracts. The improvement of SENSEX alternatives alongside equity derivatives followed in 2001 and 2002, growing its exchanging stage.

National Stock Exchange (NSE)

The National stock exchange came into existence on 1992 of November. it was recognized in 1993 of April.

The national stock exchange has expanded its exchanging activities from June 1994, when the entire deal obligation advertise fragment was done live. Around the same time November 1994, the capital market portion of the stock trade adversaries survive VSAT.

1.3 COMPANY PROFILE

History of PCS Securities Ltd.

In the present era of advanced technology has opened abundant opportunities .HDFC is offering opportunities in wealth fulfilment which help to stretch investment horizon and unleash the capability of wealth .

PCS was resulting from the goals of Late Mr. K. C. Shrimal - author individual from Hyderabad Stock Exchange - and supported through eras by Late Mr. S. C. Shrimal and his child Mr. **P. C. Shrimal**, Promoter and Chairman of PCS Securities Ltd., twice President of HSE, who has likewise filled in as the Chairman of the FISE - Federation of Indian Stock Exchanges. His child, Mr. Prashant Shrimal, right now helps him. The Board comprises of the exceptionally experienced generational progressive system, as well as industry stalwarts with an abundance of skill including Whole-time Director Mr. Paresh Shah and Director Mr. Jadish Ahuja (Ex-President, Bangalore Stock Exchange).

PCS has dependably been a pioneer in embracing more up to date advancements to build efficiencies in giving best in class programming to clients like SMS Alerts to clients advising balances, "Showcase In Your Pocket" - Live quotes and outlines conveyed specifically to your cell phone, a strong Intranet based programming for PCS merchants to empower moment correspondence and exact data. Life just gets less demanding with PCS .We are a one-stop budgetary administrations shop, most regarded for nature of its recommendation, customized administration and forefront innovation.

We might want to present ourselves as a Fourth Generation stock broking and riches Management Company, having an inheritance of serving speculators since 1941. PCS Securities is one of South India's quickest developing stock broking firms and among the first class gathering of broking firms the nation over. What's more, this we have accomplished by holding hands with similarly invested effective accomplices and empowering them to accomplish their actual potential, in this manner scaling new statures a seemingly endless amount of time.

1.3.1 Promoters:

Jagdish Ahuja: Ex president of banglore stock exchange.Director of PCS Securities Ltd.



Prakash Chandra Srimal: Director & Founder of PCS Securities Ltd.



1.3.2 Mission

"To Power your investments through superior information, Technology and Services, in order to help Maximize your Wealth Generation."

Vision

"To be the Most Respected and Investor-Friendly Financial Powerhouses serving Investor through various markets across the Nation."

Quality Policy

1. Team work success.
2. Providing effective and efficient services
3. Timely Auditing of customer services.
4. Increase the value of shareholders.

1.3.3 Products and Services

- **Equities**

P.C.S.Securities gave the likelihood of investigated adding to its clients, which was as yet bound just to the foundations. Investigate for the retail budgetary pro did not exist before P.C.S.Securities used advancement to pass on the solace of trading to the theorist's range of slant (home or office) through electronic get to.

- **P.C.S.Securities Portfolio Management Services**

The Portfolio Management Service is a thing wherein an esteem wander portfolio is made to suit the theory objectives of a client. We at P.C.S.Securities put your advantages into stocks from different parts, dependent upon your danger return profile. This organization is particularly fitting for money related masters who can't stand to give time or don't have that ability for ordinary organization of their esteem portfolio.

- **Research**

Sound venture choices rely on solid principal information and stock determination procedures. P.C.S. Securities Equity Research is glad for its notoriety for, and we need you to discover the certainties that you require. Value speculation experts routinely utilize our exploration and models as fundamental apparatuses in their work.

- **Commodities**

PCS securities have increased the commodities which they facilitate to their customer. It is main objective is to grow as a reasonable and dependable broker of securities

- **Invest Online**

P.C.S.Securities has made putting resources into Mutual assets and essential market so easy. You should simply enrol with us and there's nothing more to it. No printed material no lines and No enlistment charges

- **Apply in IPO's**

You could likewise put resources into Initial Public Offers (IPO's) online without experiencing the bothers of filling ANY application frame/printed material.

- **POWER COMM – Growing Returns**

After Equities, now items are a much looked for after resource class. Product prospects are utilized for the most part to support and guess over variance in ware costs. Ware trades have demonstrated an extraordinary development in exchanging volumes and intrigue universally.

1.4 Competator's information:

- Kotak Securities Limited
- SBI Securities Limited
- Sharekhan Limited
- Way 2 Wealth Limited
- Angel Broking Limited
- HDFC Securities Limited
- MotilalOswal Limited
- Karvy Limited
- ICICI Direct Limited
- IDBI Paisa builder Limited
- Reliance Securities limited

1.5 SWOT Analysis :

A SWOT examination is a sorted out masterminding technique used to survey the qualities, deficiencies, openings and perils required in a wander or in a business meander. This technique is credited to Albert Humphrey, who drove a custom at the Stanford Research Institute in the 1970s using data from Fortune 500 associations.

<p style="text-align: center;">STRENGTHS</p> <ol style="list-style-type: none"> 1. Large and diverse distribution network 2. Strong research and sales team 3. Integrated Technology Platform 4. User friendly software to favourable luck .its customers to facilitate online trading on their own 	<p style="text-align: center;">WEAKNESS</p> <ol style="list-style-type: none"> 1. Charges are high compared to other companies in industry 2. Clients are still comfortable with traditional way of trading because they don't know how to operate online demat account 3. No service in Rural segments 4. Insignificant presence in institutional segment
<p style="text-align: center;">OPPORTUNITIES</p> <ol style="list-style-type: none"> 1.Favorable government policies which motivate public to invest in share market. 2Growing monetary administration industry's share of wallet of discretionary cashflow 3. Huge market open doors for riches administration specialist organizations as Indian riches administration business is changing from unimportant riches protecting to developing riches 	<p style="text-align: center;">THREATS</p> <ol style="list-style-type: none"> 1. Execution of risk 2. Market fluctuations 3. Government policies 4. Competition from banks and insurance sector

1.6 Financial statement:

	31/03/ 2017	31/03/ 2016	31/03/ 2015	31/03/ 2014	31/03/ 2013
OWNER'S FUND					
Equity Share Capital	09.34	9.39	09.56	09.54	09.73
Reserves and Surplus	59.27	49.30	52.50	40.90	35.10
LOAN FUNDS					
Secured Loans	0.00	4.67	4.50	4.20	3.90
Total	68.61	63.36	66.56	54.64	48.73
USES OF FUNDS					
Gross Amount	39.00	40.08	37.88	37.95	36.79
Less : Revaluation Reserve	1.39	1.65	1.69	1.64	1.67
Less : Accumulated Depreciation	15.09	29.70	22.76	22.53	21.86
Net Amount	18.65	15.74	14.46	14.68	13.98
Capital W-I-P	1.70	1.46	1.28	1.35	1.54
Investments	0.05	0.05	0.05	0.05	0.05
NET CURRENT ASSETS					
Current Assets, Loans & Advances	89.59	79.84	76.82	75.97	78.09
Less : Current Liabilities & Provisions	47.65	34.83	37.64	38.94	40.27
Total Net Current Assets	41.94	45.01	39.18	37.03	37.82
Total	68.61	63.36	66.56	54.64	48.73
NOTE					
Book Value of Unquoted Investments	0.01	0.02	0.04	0.03	0.03
Contingent Liabilities	16.37	16.68	15.78	13.28	15.70
No, of Equity Shares O/s (Lahks)	105.27	105.27	105.27	105.27	105.27

1.7 Future growth and prospects:

The meltdown of the global economy has impacted the Indian logistics industry as well. The industry was expected to grow at 15-20 percent as per earlier projections but now it is expected to slowdown. A recent report has projected that Container logistics growth will dip from 16 percent to about 4 percent. The said trend is likely to continue at least till the end of the current year. However, your Company's management is taking necessary steps proactively to contain the adverse effect of the said trend and hence your directors are hopeful to maintain its operational performance in the current year as well.

**CHAPTER 2: CONCEPTUAL BACKGROUND AND
LITERATURE REVIEW**

2.1 Conceptual background of the study

Definition of Currency Futures

A future agreement is an institutionalized agreement, which is exchanged on a trade to purchase or offer of a specific fundamental resource or an tool at a specific time later on, at a particular cost. When an original asset is consider to be an commodity like, Oil or Wheat, that specific contract is said to be product Futures Contract. When the fundamental is an switch rate, then the agreement is said to be Currency Futures Contract.

At the end of the day, it is an agreement is to trade one cash for the other at a predefined date and a predetermined rate later on market. Along these lines, the purchaser and dealer bolt themselves into a swapping scale for a particular esteem or conveyance date. Both sides of the agreement must satisfy their commitments on the settlement of the date and rate.

Money Futures can be money developed or can be developed by conveying separate commitments of the purchaser and the merchant. All conclusions, distinct in the folder of OTC market's experience exchange. In determining the profits or losses in futures trading, it is vital to know both the agreement measure and the tick esteem. A tick is the base exchanging value differential at which merchants can enter offers. Tick values contrast from cash to money.

cash prospects are direct item, and estimation of benefits or losses on currencies is way comparative like of figuring the benefits or losses for the index.

Futures terminology

- **Spot Price:** The cost at which an advantage exchanges the spot showcase. On account of USDNIR, spot esteem is T Plus 2.
- **Future worth:** The cost at which the Futures agreement exchanges in the Future market.
- **Contract Cycle:** The duration of the agreement exchanges. The currency futures agreements on NSE have 1mnth, 2month, 3month up-to 12months expiry cycle.
- **Expiry date:** It is the time which specifies the futures agreement. The last day wherein agreement will be exchanged, where it comes to exist. The last exchange day will be 2 business days before the value date.

- **Basis:** with regards to budgetary fates, premise is said to be fates value short the spot cost. There will be an alternate reason for every single conveyance of the agreement for every month. Usually basis will be positive in normal market. This reflects the futures price by exceeding the spot prices.
- **Cost of carry:** The cost of carry is meant to know the connection among futures costs and the spot costs. This helps to measure the hold rate the interest that is paid or carry the asset till delivery less the proceeds grossed on the asset.
- **Initial Margin:** It refers to the sum that is been set down in the edge of description at the time of entering into a future agreement is known as Initial Margin.
- **Marking-to-market:** In prospects advertise, toward a finish of each exchanging day, the record is been changed in accordance with mirror the financial specialist's pick up or misfortune relying upon the end cost. This procedure is called as checking to-market.

Product definition

RBI has allowed futures on USD-INR, GBP-INR, YEN-INR, EURO-INR fees. The agreement condition of the futures will be as in.

Trading Hours

Usually on currency futures is accessible on or after 9a.m to 5p.m as of Monday to Friday.

Size of the contract

Least agreement size of the cash future agreement towards the start of presentation will be EURO1000.

Quotation

Currency future agreement will be always quoted on Indian Rupees. Though the exceptional situations possible in EURO, YEN, USD, GBP.

Tenor of the contract

It has a utmost period of 12months.

Available contracts

Periodical maturities are on or after 1st month on the way to 12th month would be made available.

Settlement Mechanism

These transactions are usually settled in Rupees.

Settlement price

Here the payment of the worth is undertaken by (RBI) on the referral date of the final exchanging date.

Final Settlement Day

Ultimate working day of the month would be taken to be the same as that for inter-bank settlements in Mumbai. There are sure principles and controls for inter-banks, including for known occasions and consequent announced occasion which are driven by (FEDA). In staying aware of the (OTC markets)esteem date or ultimate date for payment for each of the agreement will be the ultimate working day of the month and the reference rate which is settled by (RBI) is II days preceding the esteem date or ultimate exchanging is held II days before the ultimate settlement date. What's more, in the ultimate exchanging day of the cash the settlement cost gets settled around twelve and the close month agreement should be stopped at that specific period and there are even few exemptions like sun blackout days so on. Furthermore, another month agreement might be presented.

Futures Payoffs

A result is likewise said to be income/deficiency which mount up to a bazaar part by methods for an alter in estimation of benefit. This is essentially said as result outlines which demonstrates the estimation of the specific resource on the X-pivot and the income/shortage on the Y-pivot. Future agreement have a direct settlements. In basic articulation, it can be placed thusly that the shortages and income for the buyer and the merchant of a prospects agreement are boundless. These straight adjustments are enhancing as they can be joined with choices and the fundamental to create distinctive composite settlements. Then again, introduce adjustments of prospects are examined as trade exchanged remote cash variation are not permitted.

Pricing Futures – Cost of Carry Model

Estimating of futures agreements is moderately exceptionally straightforward. Utilizing the above model that is cost of convey model rationale, we can compute the reasonable estimation of a prospects agreement. At whatever point we watch the value strays from the reasonable esteem, arbitragers would go into exchanging stage just to catch the arbitrage benefit. This may thusly should be push the future cost back to its reasonable value.

What's more here beneath we can perceive how cost of convey model is utilized for valuing.

$$F = Se^{rt}$$

A future agreement in currency market record controls its proprietor the privilege and commitments to purchase or to offer the arrangements of stock which are portrayed by the file. What's more, coming to stock record of future agreements they are settled as far as money and there is no conveyance of the hidden stocks.

In short history time of exchanging, list prospects greatly affected the world's securities markets. Its presence have upset the craftsmanship and exploration of institutional value administration of portfolio.

The key contrasts amongst ware and value file prospects are as per the following

- Storage cost is zero in holding value.
- Equity dependably goes under profit stream, which is a negative cost affect if it's a long the stock and if on the off chance that it is short the stock it ends up being certain cost.

The fundamental part of managing values instead of item future is an immaculate determining of profits. So better the gauge of profits which is been offered by the securities, better is the estimation of future costs.

Evaluating file prospects given expected profit yield.

On the off chance that we discover the stream of the profit is uniform consistently, that is on the off chance that is there are couple of recorded instances of grouping of profits in any of the specific month, it is a valuable to ascertain the yearly profit yield.

$$F = Se^{(r-q)T}$$

Participants and Functions

Members in this division can be prima-facie consist of each and every entries who openly or closely have an disclosure to overseas associations.

Every importer and exporter of cargo and administrations has a greater disclosure towards overseas currency threat. This particular advantage helps in hedging their particular risks. the elements might incorporate corporate bringing in apparatus/crude material or paying for administrations to a seaward elements, and corporate trading their items and administrations abroad. Thusly all substances having exchange or capital related streams named in outside cash will have an enthusiasm for utilizing this item.

The share holders and loan bosses of these organizations likewise might be in a roundabout way presented to the cash hazard and thus may discover the item valuable.

Any element utilizing such merchandise and ventures whose cost is presented to remote trade developments may likewise locate this valuable. For instance, substances who secure, say oil or metals are dependent on global value development and henceforth open these clients to outside cash dangers. Thus substances who are specifically shippers or exporters or elements having a backhanded or inferred presentation are potential clients of trade exchanged fates. These kind of elements who fence their introduction to outside money utilizing cash fates are termed Hedgers.

Aside from hedgers, individuals who have directional view on the USD-INR development may likewise jump at the chance to exchange money fates. Given the different monetary conditions, a portion of the clients possibly will feel so as to rupee should acknowledge even as supplementary possibly will sense turn around. Elements termed as theorists and possibly will likewise get a kick out of the chance to exchange.

Encourage, elements which seem to be allowed as to exchange mutually in the forward bazaar and potentials bazaar might have the capacity to recognize miss-valuing of the agreement and exchange both the business sectors to profit by such miss-evaluating. These substances are called Arbitrageurs.

APPLICATIONS OF CURRENCY FUTURES

Hedging

Assume a body is expecting a settlement for USD 1000 on March 2017. Requirements to secure in the outside transformation scale today so that the estimation of inflow in rupee term is protected. The substance can do all things considered by offering one agreement of USD-INR prospects since one agreement.

Speculation:

Get example of scholar who has a view on the course of the market. He might need to trade in the light of this view. He expects that the USD-INR rate straightforwardly at Rs.66, is to go up in the accompanying two-three month. By what means may he trade in light of this conviction? if he can buy dollars and hold it, by contributing the indispensable capital, he can profit if say the rupee cheapens to 66.50. Tolerating he buys USD10000, it would require a wander of Rs.6, 60, 000. In case the swapping scale moves as he expected in the accompanying three months, then he may make an advantage of around Rs.9000. This works out to a yearly return of around 6.76%. It may please attempt to stay saw that the cost of benefits put in not considered in preparing this entry.

An analyst can take the extremely same position on the swapping scale by using prospects contracts. In case INR-USD is Rs.66 and the three month destinies trade at Rs.66.40. The base contract size is USD1000. Hence the inspector may buy 10 contracts. This introduction ought to be the same as above USD 10000. Likely, the edge may be around Rs.66, 000. Following three months if the rupee disintegrates to Rs.67.50 against USD, the destinies cost ought to join to the spot esteem and he makes an advantage of Rs.2500 on a hypothesis of Rs.66, 000. This works out to a yearly return of 19%. In light of the utilization they give, prospects outline a charming decision for analysts.

Arbitrage:

It is a procedure of exploiting distinction in cost of the same or comparable item between at least 2 markets. That is said to be striking a mix coordinating arrangements so as to underwrite ahead unevenness, benefit of the contrast connecting the bazaar costs. In event that the identical or comparable item exchanged declare II distinct bazaars, substance which have entry in cooperation of business sectors have the capacity to distinguish value

discrepancy, assuming some. The event that I of the business sectors item exchanging at far above the ground value, the substance should purchase item less expensive bazaar and offer in higher bazaar and consequently advantage as of value unlike with no extra hazard.

One of the strategies for arbitrage as to USD-INR could be an exchanging procedure amongst advances and fates showcase. As we examined before, the fates cost and forward costs are landed at utilizing the standard of cost of convey. Such of those elements who can exchange both advances and fates should have the capacity to recognize any miss-estimating amongst advances and prospects. On the off chance that one of them is valued higher; the same might be sold while at the same time purchasing the other which is estimated lower. In the event that the gist in cooperation of agreements are identical, in view of the fact that mutually advances of fates should advance at a similar mention charge, exchange might bring about a hazard less benefit.

Currency Derivatives Trading System

The currency derivatives switch over arrangement of NSE, called NEAT-CDS switch over structure, provides whole robotized display-construct replace for money fates in light of an across the nation premise and in addition an internet observing and reconnaissance system. It underpins a request driven market and gives finish straightforwardness of exchanging operations. The web based exchanging framework is like that of exchanging of value subordinates in the Futures and Options portion.

Product for the currency derivatives portion have created encourage proficient as well as straightforward exchanging currency derivatives tools. Maintenance outlook nature of exchanging individuals with the existing Future and Option exchange framework in order to make it appropriate for exchanging cash prospects.

Articles to operate

Four elements in exchanging framework. Exchanging individuals, clearing individuals, proficient clearing individuals and members.

1. Trading Members (TM) :

Individuals from NSE. They can switch over either in solitude record or in light of a legitimate concern for their clients including individuals. The trade doles out an exchanging part ID to each exchanging part. Each exchanging part can have more than one client. The

quantity of clients took into consideration each exchanging part is told by the trade every now and then. Every client of an exchanging part should be enrolled with the trade and is relegated an exceptional client ID. The novel exchanging part ID works as a source of perspective for all requests or exchanges of various clients. This ID is fundamental for all customers of a particular trading part. It is the obligation of the trading part to keep up adequate control over individuals having section of affiliation's client IDs.

2. Clearing Members (CM) :

Clearing individuals are individuals from NSCCL. They do hazard administration exercises and affirmation or request of member exchanges through the exchanging framework.

3. Participants :

A part is a client of trading people like cash related establishments. These clients may trade through different trading people yet settle through a singular clearing part.

2.2 Literature review

Patterson et al, 2005. Found that the systems and methods are provided for providing a credit default future market. The system which is providing the credit default future market includes a processor, memory and interface. The interface is done to display the credit default future contract that subscribe to a set of standard terms and conditions. This process is done to settle certain credit future contract in kind and other in cash format.

Cummings et al. 2004. Found that the technique for encouraging the unexpected exchanging of ware contract, giving a future trade wherein the futures contract in view of first product of an item sort is exchanged, and consequently enrolling an exchange of the futures contract on trade at a market cost for unimportant future, when an over the counter contract for a moment ware of the counter item.

Patel et al. 2006. Found that as on May 9th, 1991, the London Futures trade acquainted 4 property futures contract with the conceivable improvement of offices for hedging, arbitrage and value revelation in the private market. The purpose behind the disappointment were to be distinguished as an examination of the open doors and dangers of utilizing such sort of agreements are as

1. Futures contract did not give adequate financial advantage from supporting the hazard that stock record contracts give
2. Potential arbitrageurs and the examiners were ceased from utilizing FOX financing cost, as a result of high exchange expenses and high tedious were included during the time spent new home loan advances.

Sensoy,Ahmet et al, 2005. Found that the specific review points in examining the nearness of a long range reliance of futures markets. Evaluation shows that the capacity of futures market is an instant variation and differs according to trial duration.

Quintino et al, 2007. Found that the primary ethanol Futures contract of Brazil, which appeared in 2000, yet neglected to offer the obliged liquidity to pull in market operators. The primary motivation behind this review is to know whether the new ethanol contracts propelled by BMF-BOVESPA in 2010 have meeting their prerequisites to render attainably.

Anil Sharma et al, 2008. The purpose behind this paper is to organize and take supply of the flow condition of research on securities trade blend by assessing the open written work, to give quick and basic access to future researchers. Another objective of the present audit is to describe the written work and to give the total index on securities trade blend and to separate the revelations and eventual outcomes of the surveys.

Tariq, 2009. Found that the purpose of this paper is to examine the role of value-at-risk (VaR) in the cross-section of stock returns in the Indian stock market during the period 1999-2014. The paper follows the methodology of Bali and Cakici (2004) to investigate the relationship between VaR and stock returns and employs Fama and French's (1993) and Fama and Macbeth's (1973) methods to find out the predictive power of VaR in time-series and cross-section settings.

Jaspal Singh,2008. Found that the purpose of this study is to examine the relevance of an accounting-based fundamental strategy in adding value to value stocks in Indian stock market. The fundamentals-based investment strategy "F-score", given by Joseph Piotroski, has been used on stocks having high book-to-market ratio to eliminate the firms with poor future prospects from the entire portfolio of value stocks.

Anita Tripathi, 2004. Found that the motivation behind this paper is to experimentally look at the execution of socially dependable stocks portfolio versus arrangement of general organizations in the Indian securities exchange.

Saumya Ranjan, 2006. The purpose of this paper is to evaluate the pricing implication of aggregate market wide investor sentiment risk for cross sectional return variation in the presence of other market wide risk factors.

Saumya Ranjan Dash et al, 2007. This paper intends to explore whether the utilization of contingent and unequivocal Fama and French (1993) three-variable and Carhart (1997) four-calculate resource evaluating models (APMs) catches the part of benefit valuing abnormalities with regards to rising securities exchange like India.

Abdul Rahman et al, 2008. The reason for this paper is to test the long haul impacts of cost and volume with the assistance of Downward Sloping Demand Curve (DSDC) speculation, and furthermore the fleeting cost and volume impacts with the assistance of Price Pressure Hypothesis (PPH) for the file amendments on the S&P CNX Nifty 50 file.

Surrender S. Yadav et al, 2006. The motivation behind this paper is to survey the enlightening productivity of S&P CNX Nifty record choices in Indian securities advertise. The S&P CNX Nifty file is a main stock file of India, comprises of 50 most as often as possible exchanged securities recorded on NSE.

Imlak Sheikh et al, 2006. Found that the point of this review is to analyze the "unpredictability grin" or/and "skew", term structure and inferred instability surfaces in view of those European choices written in the standard and poor (S&P) Nifty value record. The stochastic way of suggested unpredictability crosswise over strike value.

Varun Dewar et al, 2009. The reason for this paper is to look at the relative predictive abilities of current earnings (and its components) and cash flows for next period cash flows in case of Shariah-compliant companies in India.

Louis K. C. Chan, Jason Karceski and Josef Lakonishok, 2008. The ability to identify which factors best capture systematic return co variation is central to applications of multifactor pricing models. This paper uses a common data set to evaluate the performance of various proposed factors in capturing return co movements.

Yoav Ganzach, 2005. This article examines the relationship between judgments of risk and judgments of expected return of financial assets. It suggests that for unfamiliar assets, both risk and return judgments are derived from global preference toward the asset, whereas for familiar assets, these judgments tend to be derived from the ecological values of the asset's risk and expected return—their values in the financial markets. Risk adjusted performance about the currencies.

Franco Modigliani and Leah Modigliani, 2007. The explanation commonly offered for this trade-off between contracts and the risk is that investors do not like risk, and therefore require compensation for uncertainty in form of a “risk premium”. In fact, this explanation does not provide an operational basis for assessing risk, because appropriate premium levels would vary across individuals and with the composition of trading

Preeti Singh, 1986. Disclosed the basic rules for selecting the companies to invest in. She opined that understanding and measuring return and risk is fundamental to the investment process. According to her, most investors are risk averse. To have a higher return the investor has to face greater risks.

David L. Scott and William Edward, 1990. reviewed the important risks of owning common stocks and the ways to minimize these risks. They commented that the severity of financial risk depends on how heavily a business relies on debt. Currency risk is relatively easy to minimize if an investor sticks to the common stocks of companies that employ small amounts of debt.

CHAPTER 3: RESEARCH DESIGN

3.1 Problem Statement:

There is a huge problem in the future about on the currencies to be traded in the contracts, so in this project we can study about the four currencies taken for the consideration in that which currency will yield more profit in the future we are going to calculate based on the past data available.

3.2 Need for the study

The futures market is a basic piece of a solid economy. It has numerous parts to play and satisfy diverse requirements of the assorted bazaar players drawn in. Here are a few reasons why the future market is expected to the economy.

- The essential favorable position of futures is that it enables people and business to ensure their positions against value variances. For the purchasers, it offers assurance from the future cost increments and for the vendor, it gives insurance from costs falls.
- Allowing individuals to set a future deal value, the future contract helps in anticipating costs.
- Futures help in setting fabricating objectives as they enable business to get to the future request and cost for an item. Business oversees costs by constraining creation to cover just the normal request. They likewise maintain a strategic distance from the misfortune which emerges out of surplus creation, which incorporates capacity of overabundance deliver and deterioration in quality after some time.
- Competitive valuing is encouraged by prospects exchanging which keeps an adjust in cost of the items in the market. Furthermore, the colossal number of exchanges which happens on consistent schedule in the future market price constancy.

Futures trading makes a worldwide commercial center by uniting buyer, producer and examiners from different nations. It empowers from different nations. It empowers purchaser and merchant in various nations to comprehend themselves against the vacillations, in light of the fact that the agreement can't be finished without physical conveyance of the merchandise.

3.3 Objectives

- To understand the price moments of each currency chosen for the study.
- To explicit arbitrage opportunities in the market.
- To know the average number of investors in particular FTUCUR.
- To estimate the future currency movements.
- To estimate which currency yields more profit in future contracts.
- To analyse the risk regarding the future investments.
- To determine the settlement price in the contracts.

3.4 Scope

The study mainly focuses on the price moments of the currencies undertaken for the study. The study covers the price index and balance sheet from the year 2016 to 2012 and the study purely based on the data of NSE and PCS Securities limited.

3.5 Methodology of study

Secondary data:

Data collected from website/homepage of pcs securities pvt ltd., mainly consists of content analysis that is analyzing the contents of documentary materials such as business newspapers and other verbal material given by the external guide

3.6 LIMITATIONS

- There are only 4 different currencies which can be traded in INR in particular with pcs securities Pvt Ltd,.
- There is a minimum price moments in each currency (upward and downward).
- This overview is led in just pcs securities Pvt Ltd, Mysore City.
- Only secondary data is made use of.

**CHAPTER 4: DATA ANALYSIS AND
INTERPRETATION**

Data:

For interpreting the data I have used the last 4 years opening and closing values and find out the returns on the basis of the given data, and I have also used the following tools to evaluate the which currency yields more profits than the other currencies, they are:

- Returns
- Beta
- Contract size.etc

Data analysis and interpretation:

The following analysis of currencies is executed to know the investors diversified investment in among 4 currencies options available. It gives a detailed study on how comparatively the currencies differ and which is the most common currency contract is entered

The following are four available currencies which are led to FTUCUR (FutureCurrencies)

1. USDINR
2. EURINR
3. GBPINR
4. JPYINR

Study involves data collected from past 4 years of each currency and to determine where exactly the contract holder went through profits or went under loss and at last to compare among all the currencies and come to a conclusion that which convertible currency contract held the most in India.

USDINR

2017

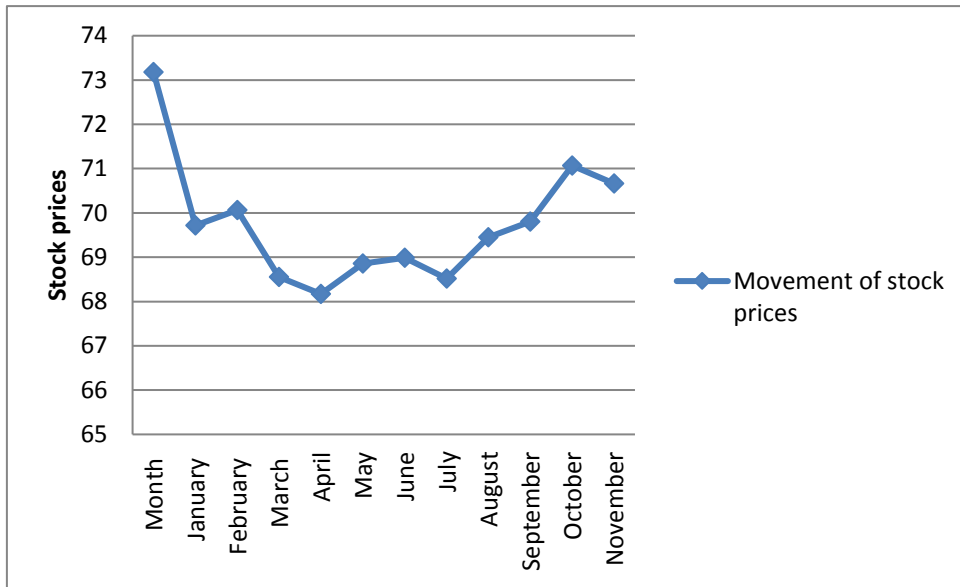
Month	Settlement Date	Instrument	Underlying	Open Price(Rs)	Close Price(Rs)	Settlement Price(Rs)
January	27/01/2017	FUTCUR	USDINR280117	73.61	72.75	73.18
February	26/02/2017	FUTCUR	USDINR250217	69.62	69.81	69.72
March	28/03/2017	FUTCUR	USDINR290317	71.56	68.55	70.06
April	27/04/2017	FUTCUR	USDINR270417	67.53	69.56	68.55
May	28/05/2017	FUTCUR	USDINR270517	68.05	68.29	68.17
June	26/06/2017	FUTCUR	USDINR280617	67.82	69.89	68.86
July	25/07/2017	FUTCUR	USDINR270717	68.42	69.55	68.99
August	23/08/2017	FUTCUR	USDINR290817	67.50	69.54	68.52
September	29/09/2017	FUTCUR	USDINR280917	70.45	68.45	69.45
October	26/10/2017	FUTCUR	USDINR261017	71.83	67.76	69.80
November	29/11/2017	FUTCUR	USDINR281117	72.44	69.70	71.07
December	28/12/2017	FUTCUR	USDINR281217	71.09	70.22	70.66

Analysis of 2017

The target of this assesses the benefit or misfortune position of futures USDINR. This examination depends on the average contract size entered in a year. This is considered from January 2017 to December 2017. The average contract size of USDINR 1123766

Interpretation

In the year 2017 the prices are fluctuating in the US Dollar when compared to the Indian Rupees so for the investors it is high risk because we cannot predict the prices of the US Dollar, so it is better to invest who want to take more risk, but when we conceder the last years its value is increasing.



Graph - 1

Graph showing the price movements of USDINR Futures in 2017

Observation and Findings

If a person enters into a contract size 1123766 of Futures of USDINR on January with a price of 73.18 and sells on the same on November with the price of 71.07 as per each contract. So the person ends up with loss of $71.07 - 73.18 = -2.11$

$-2.11 * 1123766 = -2371146.26$ in rupees.

2016

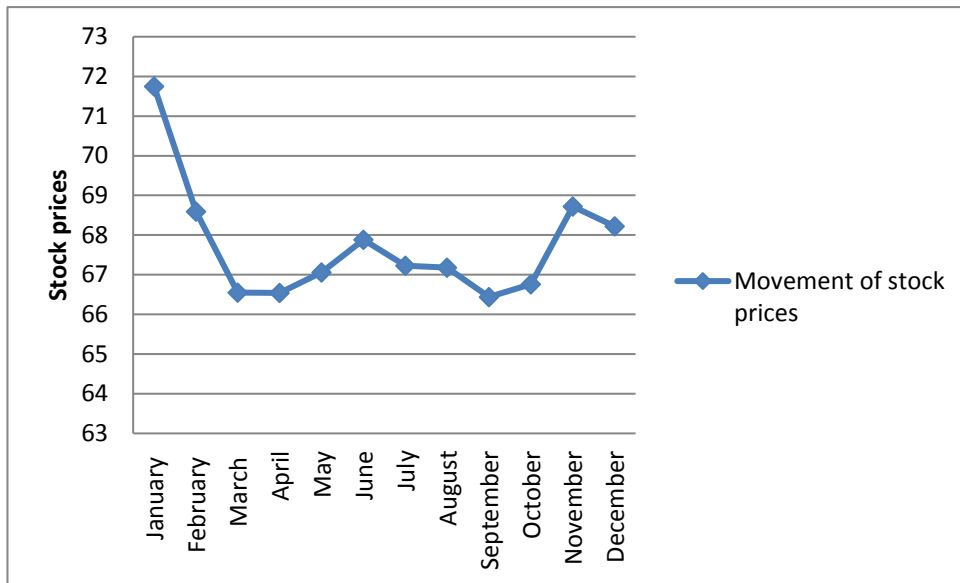
Month	Settlement Date	Instrument	Underlying	Open Price(Rs)	Close Price(Rs)	Settlement Price(Rs)
January	28/01/016	FUTCUR	USDINR280116	71.67	71.75	71.75
February	25/02/2016	FUTCUR	USDINR250216	68.49	68.61	68.59
March	29/03/2016	FUTCUR	USDINR290316	66.57	66.55	66.55
April	27/04/2016	FUTCUR	USDINR270416	66.53	66.54	66.54
May	27/05/2016	FUTCUR	USDINR270516	67.05	67.07	67.06
June	28/06/2015	FUTCUR	USDINR280616	67.82	67.86	67.88
July	27/07/2016	FUTCUR	USDINR270716	67.32	67.5	67.23
August	29/08/2016	FUTCUR	USDINR290816	67.10	67.18	67.18
September	28/09/2016	FUTCUR	USDINR280916	66.45	66.46	66.44
October	26/10/2016	FUTCUR	USDINR261016	66.83	66.76	66.76
November	28/11/2016	FUTCUR	USDINR281116	68.44	68.70	68.72
December	28/12/2016	FUTCUR	USDINR281216	68.09	68.22	68.22

Analysis of 2016

The target of this assesses the benefit or misfortune position of futures USDINR. This examination depends on the average contract size entered in a year. This is considered from January 2016 to December 2016. The average contract size of USDINR 1049381

Interpretation

In the year of 2016 the price movement of the US Dollar is declining month by month so it is a good sign for the investors because, if they purchase the shares now there is a future raise in the price so at that time they will sell the shares and better makes the profits.



Graph-2

Graph showing the price movements of USDINR Futures in 2016

Observation and Findings

If a person enters into a contract size 1049381 of Futures of USDINR on January with a price of 71.75 and sells on the same on November with the price of 68.72 as per each contract. So the person ends up with loss of $68.72 - 71.75 = -3.03$

$-3.03 * 1049381 = -3179624.43$ in rupees.

2015

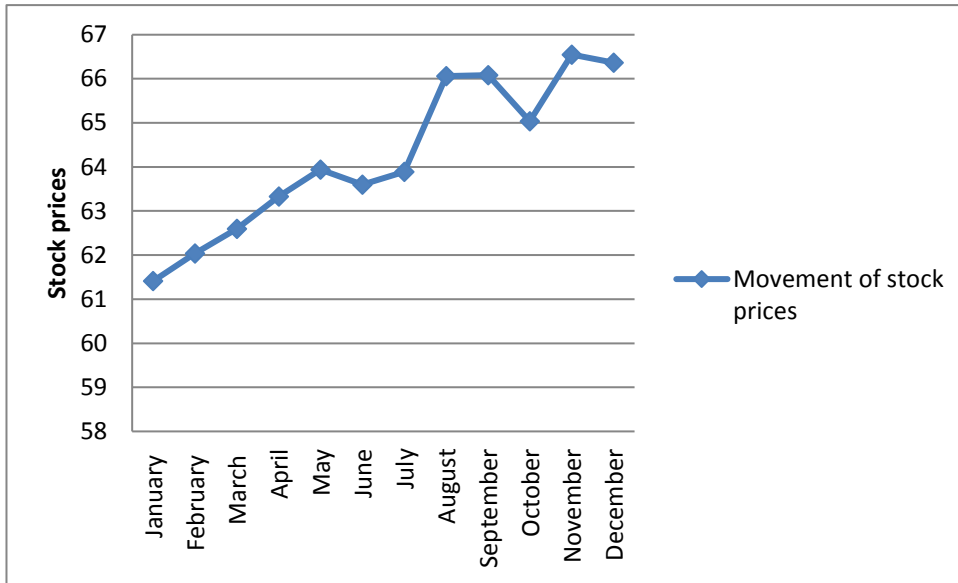
Month	Settlement Date	Instrument	Underlying	Open Price(Rs)	Close Price(Rs)	Settlement Price(Rs)
January	28/01/2015	FUTCUR	USDINR280115	61.44	61.41	61.41
February	25/02/2015	FUTCUR	USDINR250215	62.05	62.05	62.04
March	27/03/2015	FUTCUR	USDINR270315	62.78	62.61	62.60
April	28/04/2015	FUTCUR	USDINR280415	63.40	63.33	63.33
May	27/05/2015	FUTCUR	USDINR270515	64.02	63.97	63.94
June	26/06/2015	FUTCUR	USDINR260615	63.60	63.60	63.60
July	29/07/2015	FUTCUR	USDINR290715	63.89	63.89	63.89
August	27/08/2015	FUTCUR	USDINR270815	66.02	66.06	66.06
September	28/09/2015	FUTCUR	USDINR280915	66.21	66.08	66.08
October	28/10/2015	FUTCUR	USDINR281015	65.05	65.04	65.04
November	26/11/2015	FUTCUR	USDINR261115	66.37	66.55	66.55
December	29/12/2012	FUTCUR	USDINR291215	66.18	66.36	66.37

Analysis of 2015

The target of this assesses the benefit or misfortune position of futures USDINR. This examination depends on the average contract size entered in a year. This is considered from January 2015 to December 2015. The average contract size of USDINR 1227912

Interpretation

In the year 2015 the price movement of the US Dollar is increasing month by month, so for the investors if they want to purchase the shares in the starting months and want to sell the shares in the last months of the year for them this year makes the huge profits with the limited period.



Graph - 3

Graph showing the price movements of USDINR Futures in 2015

Observation and Findings

If a person enters into a contract size 1227912 of Futures of USDINR on January with a price of 61.41 and sells on the same on November with the price of 66.55 as per each contract. So the person ends up with a huge profit of $66.55 - 61.41 = 5.14$

$5.14 * 1227912 = 6311467.68$ in rupees

2014

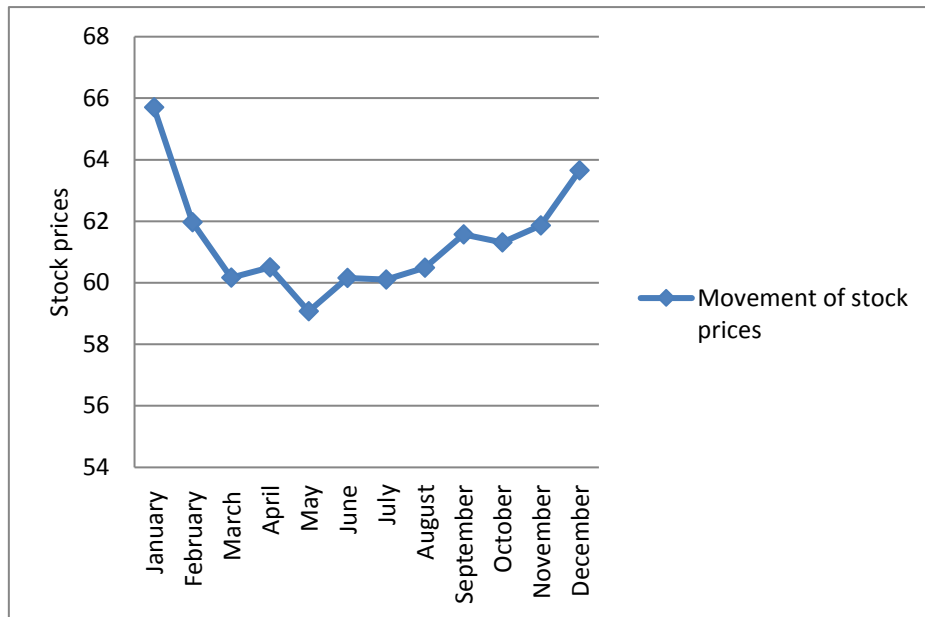
Month	Settlement Date	Instrument	Underlying	Open Price(Rs)	Close Price(Rs)	Settlement Price(Rs)
January	29/01/2014	FUTCUR	USDINR290114	65.14	65.70	65.70
February	25/02/2014	FUTCUR	USDINR250214	61.93	61.97	61.97
March	26/03/2014	FUTCUR	USDINR260314	60.30	60.14	60.17
April	28/04/2014	FUTCUR	USDINR280414	60.69	60.49	60.50
May	28/05/2014	FUTCUR	USDINR280514	58.92	59.07	59.07
June	26/06/2014	FUTCUR	USDINR260614	60.17	60.16	60.16
July	28/07/2014	FUTCUR	USDINR280714	60.12	60.09	60.10
August	26/08/2014	FUTCUR	USDINR260814	60.58	60.48	60.49
September	26/09/2014	FUTCUR	USDINR260914	61.45	61.57	61.57
October	29/10/2014	FUTCUR	USDINR291014	61.22	61.31	61.31
November	26/11/2014	FUTCUR	USDINR261114	61.91	61.86	61.86
December	29/12/2014	FUTCUR	USDINR291214	63.69	63.66	63.65

Analysis of 2014

The target of this assesses the benefit or misfortune position of futures USDINR. This examination depends on the average contract size entered in a year. This is considered from January 2014 to December 2014. The average contract size of USDINR 949106.

Interpretation

In the year 2014 the price movement of the US Dollar is decreasing with respect to the Indian Rupee so it is not a good sign for the investors because the prices of the US Dollar is decreasing so if the investors invests they will incur the losses.



Graph - 4

Graph showing the price movements of USDINR Futures in 2014

Observation and Findings

If a person enters into a contract size of 949106 Futures of USDINR on January with a price of 65.7 and sells on the same on December with the price of 63.65 as per each contract. So the person ends up with loss of $63.65 - 65.7 = -2.05$

$-2.05 * 949106 = -1945667.3$ in rupees

EURINR

2017

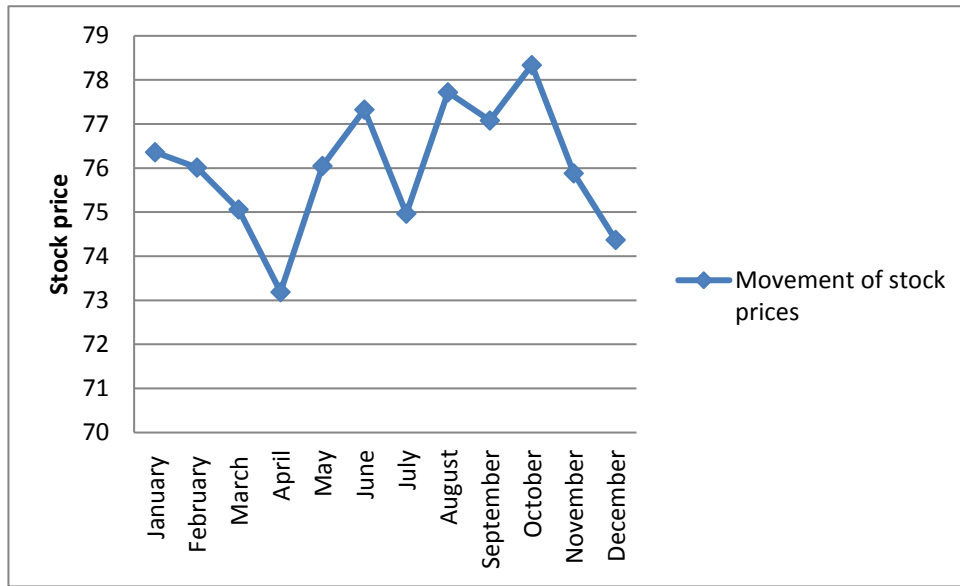
Month	Settlement Date	Instrument	Underlying	Open Price(Rs)	Close Price(Rs)	Settlement Price(Rs)
January	26/01/2017	FUTCUR	EURINR270117	75.77	76.95	76.36
February	24/02/2017	FUTCUR	EURINR250217	76.47	75.54	76.01
March	28/03/2017	FUTCUR	EURINR290317	75.46	74.65	75.06
April	26/04/2017	FUTCUR	EURINR270417	73.34	73.03	73.19
May	27/05/2017	FUTCUR	EURINR270517	76.45	75.65	76.05
June	29/06/2017	FUTCUR	EURINR280617	77.79	76.86	77.33
July	28/07/2017	FUTCUR	EURINR270717	74.99	74.94	74.97
August	28/08/2017	FUTCUR	EURINR290817	76.76	78.67	77.72
September	29/09/2017	FUTCUR	EURINR280917	76.50	77.65	77.08
October	27/10/2017	FUTCUR	EURINR261017	77.87	78.80	78.34
November	27/11/2017	FUTCUR	EURINR281117	74.98	76.78	75.88
December	26/12/2017	FUTCUR	EURINR281217	73.28	75.46	74.37

Analysis of 2017

The target of this assesses the benefit or misfortune position of futures EURINR. This examination depends on the average contract size entered in a year. This is considered from January 2017 to December 2017. The average contract size of EURINR 59674.

Interpretation

In the last year the EURO value with respect to the Indian Rupees is fluctuating it cannot be measurable because in one month it is increasing and in another month it is decreasing so we cannot predict so for the investors it is better not to invest in these types of high risk areas.



Graph-5

Graph showing the price movements of EURINR Futures in 2017

Observation and Findings

If a person enters into a contract size 59674 of Futures of EURINR on January with price of 76.36 and sells on the same on December with the price of 74.37 as per each contract. So the person ends up with loss of $74.37 - 76.36 = -1.99$

$-1.99 * 59674 = -118751.26$ in rupees.

2016

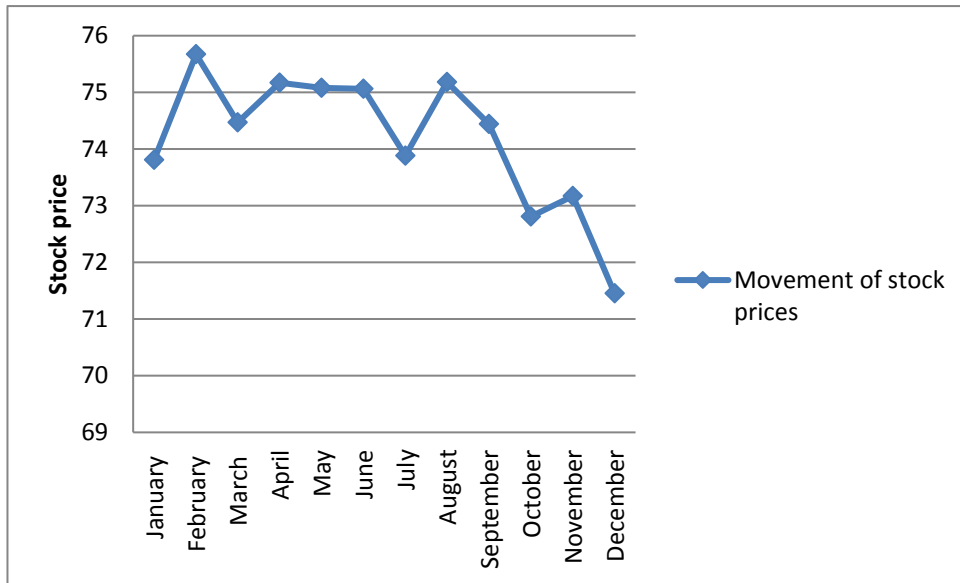
Month	Settlement Date	Instrument	Underlying	Open Price(Rs)	Close Price(Rs)	Settlement Price(Rs)
January	27/01/2016	FUTCUR	EURINR270116	73.75	73.87	73.81
February	25/02/2016	FUTCUR	EURINR250216	75.45	75.73	75.67
March	29/03/2016	FUTCUR	EURINR290316	74.45	74.51	74.47
April	27/04/2016	FUTCUR	EURINR270416	75.18	75.19	75.17
May	27/05/2016	FUTCUR	EURINR270516	75.03	75.09	75.08
June	28/06/2015	FUTCUR	EURINR280616	74.96	75.09	75.06
July	27/07/2016	FUTCUR	EURINR270716	73.92	73.92	73.88
August	29/08/2016	FUTCUR	EURINR290816	75.23	75.23	75.18
September	28/09/2016	FUTCUR	EURINR280916	74.59	74.44	74.44
October	26/10/2016	FUTCUR	EURINR261016	72.80	72.81	72.81
November	28/11/2016	FUTCUR	EURINR281116	72.91	72.91	73.17
December	28/12/2016	FUTCUR	EURINR281216	71.22	71.45	71.45

Analysis of 2016

The target of this assesses the benefit or misfortune position of futures EURINR. This examination depends on the average contract size entered in a year. This is considered from January 2016 to December 2016. The average contract size of EURINR 51425.

Interpretation

In the year of 2016 the EURO value is decreasing month by month is is better to invest because, for the investors they should buy the shares when the value is low and sell the shares when the share prices are high so that they can make the high profits.



Graph - 6

Graph showing the price movements of EURINR Futures in 2016

Observation and Findings

If a person enters into a contract size 51425 of Futures of EURINR on January with price of 73.81 and sells on the same on February with the price of 75.67 as per each contract. So the person ends up with profit of $75.67 - 73.81 = 1.86$

$1.86 * 51425 = 95650.5$ in rupees.

2015

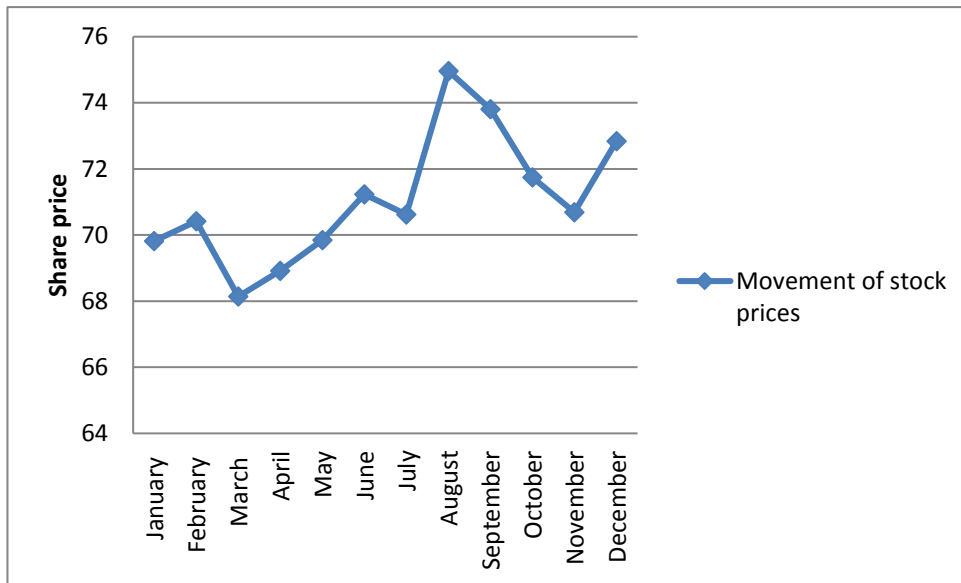
Month	Settlement Date	Instrument	Underlying	Open Price(Rs)	Close Price(Rs)	Settlement Price(Rs)
January	28/01/2015	FUTCUR	EURINR280115	69.65	69.84	69.82
February	25/02/2015	FUTCUR	EURINR250215	70.35	70.42	70.42
March	27/03/2015	FUTCUR	EURINR270315	68.55	68.14	68.14
April	28/04/2015	FUTCUR	EURINR280415	68.55	68.88	68.92
May	27/05/2015	FUTCUR	EURINR270515	69.86	69.91	69.85
June	26/06/2015	FUTCUR	EURINR260615	71.18	71.21	71.23
July	29/07/2015	FUTCUR	EURINR290715	70.81	70.56	70.62
August	27/08/2015	FUTCUR	EURINR270815	74.83	74.94	74.96
September	28/09/2015	FUTCUR	EURINR280915	74.13	73.85	73.81
October	28/10/2015	FUTCUR	EURINR281015	71.86	71.77	71.75
November	26/11/2015	FUTCUR	EURINR261115	70.50	70.68	70.69
December	29/12/2015	FUTCUR	EURINR291215	72.69	72.83	72.84

Analysis of 2015

The target of this assesses the benefit or misfortune position of futures EURINR. This examination depends on the average contract size entered in a year. This is considered from January 2015 to December 2015. The average contract size of EURINR 64712.

Interpretation

In the year of 2015 due to the economic changes in the country the price value of the currency of EURO is increasing so it is the best time to make money for the small term investors, because the investors are looking for the lowering the price of the shares for their investments.



Graph - 7

Graph showing the price movements of EURINR Futures in 2015

Observation and Findings

If a person enters into a contract size 64712 of Futures of EURINR on March with lowest price of 68.14 and sells on the same on August with the price of 74.96 as per each contract. So the person ends up with profit of $74.96 - 68.14 = 6.82$

$6.82 * 64712 = 441335.84$ in rupees.

2014

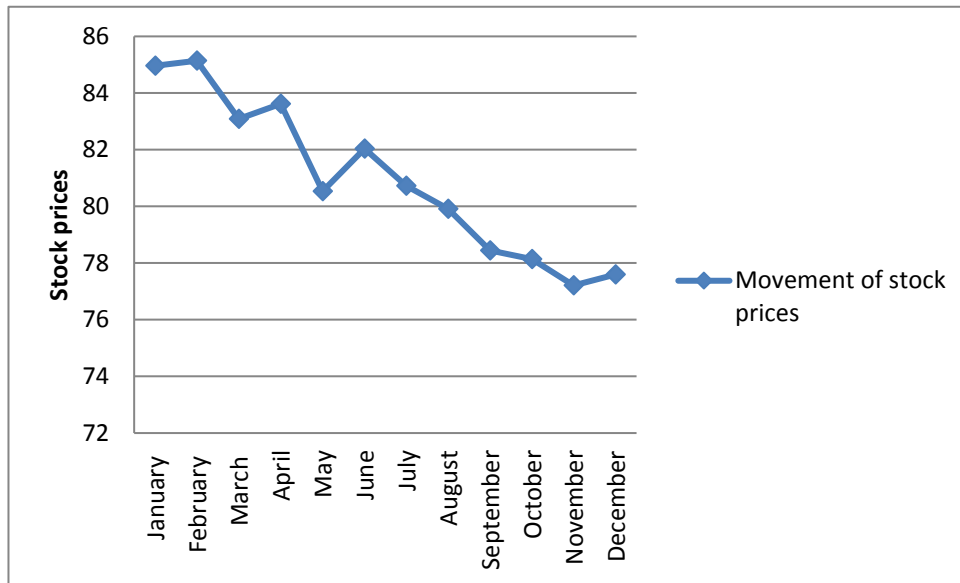
Month	Settlement Date	Instrument	Underlying	Open Price(Rs)	Close Price (Rs)	Settlement Price(Rs)
January	29/01/2014	FUTCUR	EURINR290114	84.91	84.98	84.96
February	28/02/2014	FUTCUR	EURINR250214	85.16	85.13	85.14
March	26/03/2014	FUTCUR	EURINR260314	83.29	83.06	83.09
April	28/04/2014	FUTCUR	EURINR280414	83.81	83.61	83.62
May	28/05/2014	FUTCUR	EURINR280514	80.52	80.56	80.53
June	26/06/2014	FUTCUR	EURINR260614	81.99	82.04	82.04
July	28/07/2014	FUTCUR	EURINR280714	80.71	80.72	80.73
August	26/08/2014	FUTCUR	EURINR260814	79.99	79.90	79.91
September	26/09/2014	FUTCUR	EURINR260914	78.34	78.43	78.44
October	29/10/2014	FUTCUR	EURINR291014	77.97	78.12	78.14
November	26/11/2014	FUTCUR	EURINR261114	77.03	77.18	77.21
December	29/12/2014	FUTCUR	EURINR291214	77.60	77.61	77.60

Analysis of 2014

The target of this assesses the benefit or misfortune position of futures EURINR. This examination depends on the average contract size entered in a year. This is considered from January 2014 to December 2014. The average contract size of EURINR 43305.

Introduction

In this year we can see the drastic fall in the currency value of the EURO with respect to the Indian Rupees so for the investors it is the best time to invest their money and in the future if the currency value rises they will get the profits so this year it is better to invest in the EURO linked shares.



Graph - 8

Graph showing the price movements of EURINR Futures in 2014

Observation and Findings

If a person enters into a contract size 43305 of Futures of EURINR on February with a price of 85.14 and sells on the same on April with the price of 83.62 as per each contract. So the person ends up with loss which is acceptable when compared with the downfall of the value of Euro.

$$83.62 - 85.14 = -1.52$$

$$-1.52 * 43305 = -65823.6 \text{ in rupees.}$$

GBPINR

2017

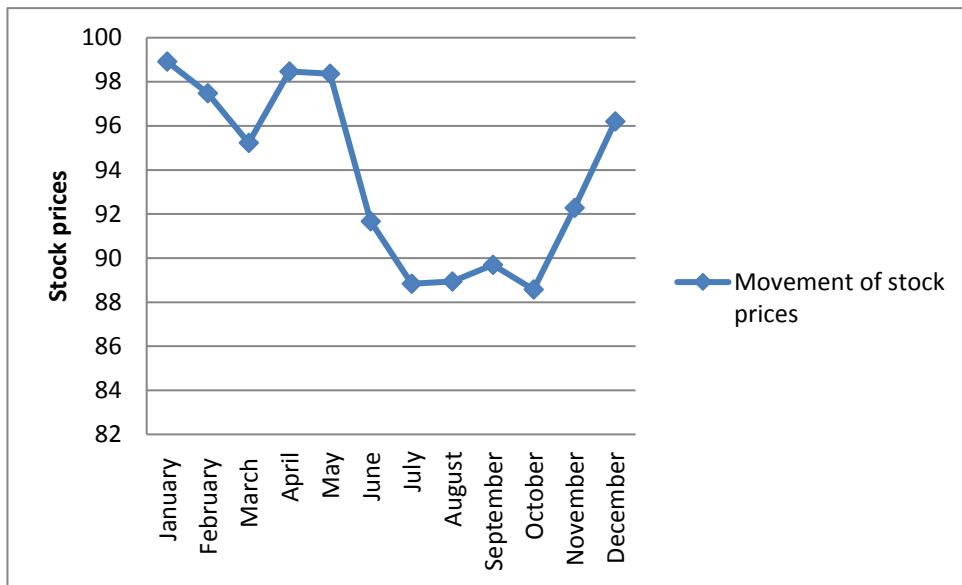
Month	Settlement Date	Instrument	Underlying	Open Price(Rs)	Close Price(Rs)	Settlement Price(Rs)
January	26/01/2017	FUTCUR	GBPINR270117	98.27	99.57	98.92
February	27/02/2017	FUTCUR	GBPINR250217	97.37	97.59	97.48
March	28/03/2017	FUTCUR	GBPINR290317	95.69	94.77	95.23
April	25/04/2017	FUTCUR	GBPINR270417	97.96	98.98	98.47
May	29/05/2017	FUTCUR	GBPINR270517	98.37	98.36	98.37
June	27/06/2017	FUTCUR	GBPINR280617	90.98	92.35	91.67
July	29/07/2017	FUTCUR	GBPINR270717	89.49	88.19	88.84
August	27/08/2017	FUTCUR	GBPINR290817	88.81	89.07	88.94
September	28/09/2017	FUTCUR	GBPINR280917	90.88	88.49	89.69
October	29/10/2017	FUTCUR	GBPINR261017	87.81	89.32	88.57
November	28/11/2017	FUTCUR	GBPINR281117	88.70	95.85	92.28
December	27/12/2017	FUTCUR	GBPINR281217	98.55	93.84	96.20

Analysis of 2017

The target of this assesses the benefit or misfortune position of futures GBPINR. This examination depends on the average contract size entered in a year. This is considered from January 2016 to December 2016. The average contract size of GBPINR 79867.

Interpretation:

The movement of GBPINR in the year 2017 is very much fluctuating because as per the above table the prices are fluctuating as the month goes on, so it is better to invest in this currency because the investors should be active because whenever the stock prices goes down he should be able to purchase the shares and when goes up sell it and make the profit.



Graph -9

Graph showing the price movements of GBPINR Futures in 2017

Observation and Findings

If a person enters into a contract size 79867 of Futures of GBPINR on January with price of 98.92 and sells on the same on december with the price of 96.20 as per each contract. So the person ends up with loss of $96.20 - 98.92 = -2.72$

$-2.72 * 79867 = - 217238.24$ in rupees.

2016

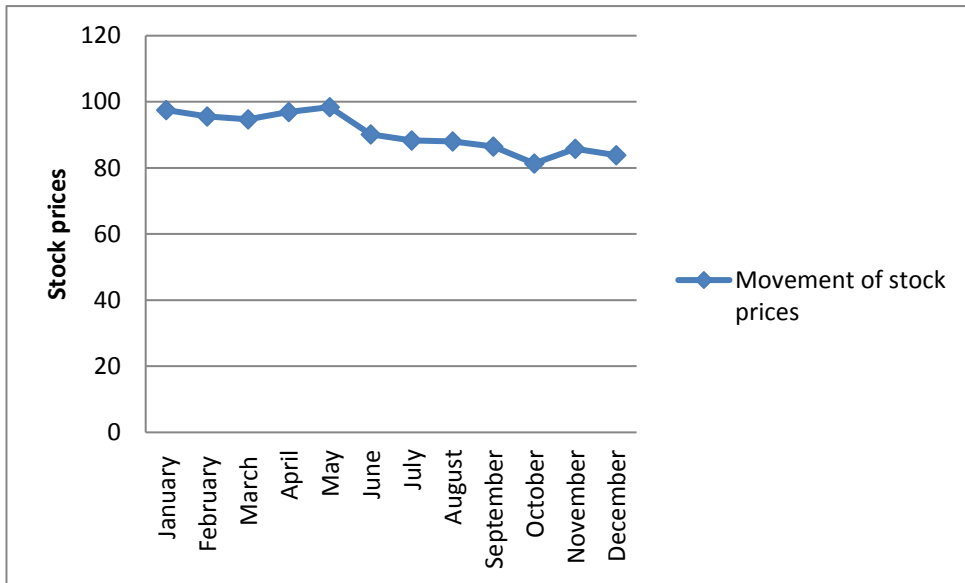
Month	Settlement Date	Instrument	Underlying	Open Price(Rs)	Close Price(Rs)	Settlement Price(Rs)
January	27/01/2016	FUTCUR	GBPINR270116	97.26	97.51	97.51
February	25/02/2016	FUTCUR	GBPINR250216	95.30	95.56	95.57
March	29/03/2016	FUTCUR	GBPINR290316	94.66	94.70	94.66
April	27/04/2016	FUTCUR	GBPINR270416	96.96	96.93	96.92
May	27/05/2016	FUTCUR	GBPINR270516	98.30	98.33	98.39
June	28/06/2016	FUTCUR	GBPINR280616	90.95	90.34	90.17
July	27/07/2016	FUTCUR	GBPINR270716	88.42	88.19	88.30
August	29/08/2016	FUTCUR	GBPINR290816	88.21	88.08	88.01
September	28/09/2016	FUTCUR	GBPINR280916	86.38	86.44	86.48
October	26/10/2016	FUTCUR	GBPINR261016	81.41	81.32	81.36
November	28/11/2016	FUTCUR	GBPINR281116	85.60	85.88	85.84
December	28/12/2016	FUTCUR	GBPINR281216	83.65	83.86	83.86

Analysis of 2016

The target of this assesses the benefit or misfortune position of futures GBPINR. This examination depends on the average contract size entered in a year. This is considered from January 2016 to December 2016. The average contract size of GBPINR 70671.

Interpretation

In the year 2016 the prices are declining when compared to that of the Indian Rupees from jan-dec, so for the investors it is the high risk time to invest their money. But there is a sudden raise in the value of currency from dec 2016 to jan 2017. So for the investors it is the best chance to get more profits.



Graph -10

Graph showing the price movements of GBPINR Futures in 2016

Observation and Findings

If a person enters into a contract size 79867 of Futures of GBPINR on January with price of 98.92 and sells on the same on december with the price of 96.20 as per each contract. So the person ends up with loss of $96.20 - 98.92 = -2.72$

$-2.72 * 79867 = - 217238.24$ in rupees.

2015

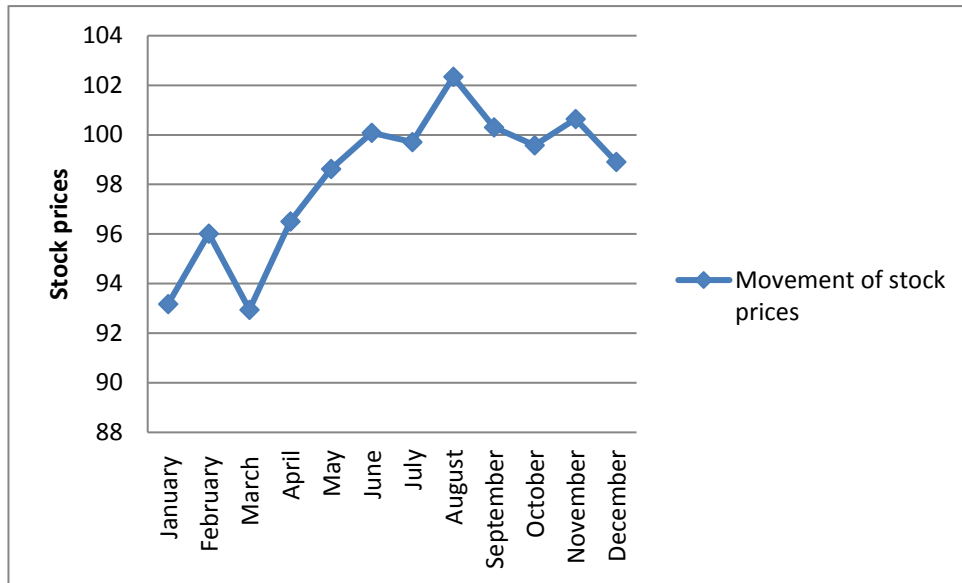
Month	Settlement Date	Instrument	Underlying	Open Price(Rs)	Close Price(Rs)	Settlement Price(Rs)
January	28/01/2015	FUTCUR	GBPINR280115	92.65	93.22	93.18
February	25/02/2015	FUTCUR	GBPINR250215	96.00	96.06	96.02
March	27/03/2015	FUTCUR	GBPINR270315	93.30	92.94	92.95
April	28/04/2015	FUTCUR	GBPINR280415	96.64	96.54	96.51
May	27/05/2015	FUTCUR	GBPINR270515	98.56	98.72	98.63
June	26/06/2015	FUTCUR	GBPINR260615	100.20	100.09	100.09
July	29/07/2015	FUTCUR	GBPINR290715	99.77	99.65	99.71
August	27/08/2015	FUTCUR	GBPINR270815	102.39	102.36	102.34
September	28/09/2015	FUTCUR	GBPINR280915	100.63	100.34	100.31
October	28/10/2015	FUTCUR	GBPINR281015	99.63	99.57	99.58
November	26/11/2015	FUTCUR	GBPINR261115	100.35	100.64	100.64
December	29/12/2015	FUTCUR	GBPINR291215	98.74	98.94	98.91

Analysis of 2015

The target of this assesses the benefit or misfortune position of futures GBPINR. This examination depends on the average contract size entered in a year. This is considered from January 2015 to December 2015. The average contract size of GBPINR 46603.

Interpretation

Due to the raise in the economy the share prices ie. The currency values are also high during the year 2015 not in this currency but in all the currencies. So this year is concedered as the best year for the investors.



Graph - 11

Graph showing the price movements of GBPINR Futures in 2015

Observation and Findings

If a person enters into a contract size 46603 of Futures of GBPINR on January with price of 93.18 and sells on the same on August with the price of 102.34 as per each contract. So the person ends up with profit of $102.34 - 93.18 = 9.16$

$9.16 * 46603 = 426883.48$ in rupees.

2014

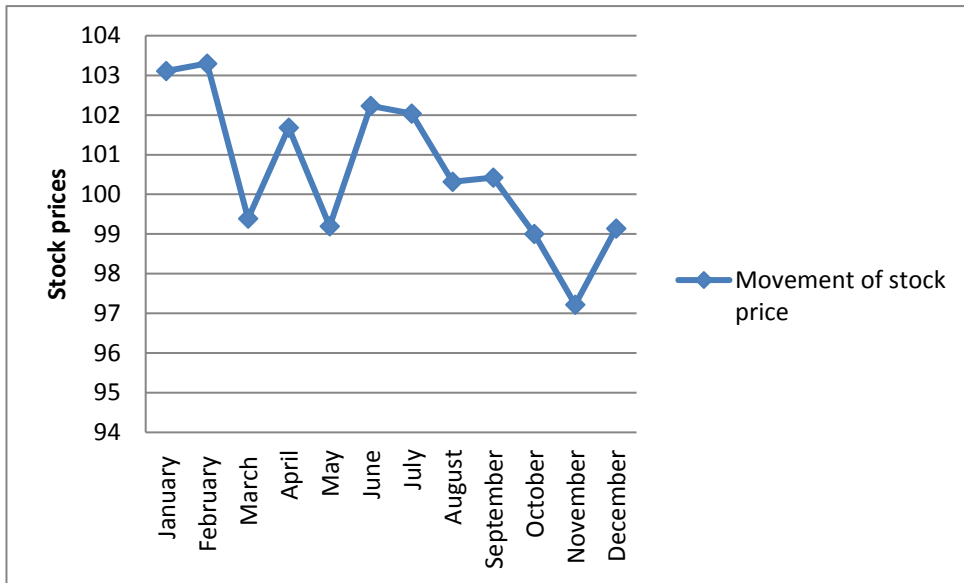
Month	Settlement Date	Instrument	Underlying	Open Price(Rs)	Close Price(Rs)	Settlement Price(Rs)
January	29/01/2014	FUTCUR	GBPINR290114	103.58	103.12	103.11
February	25/02/2014	FUTCUR	GBPINR250214	103.29	103.32	103.30
March	26/03/2014	FUTCUR	GBPINR260314	99.70	99.36	99.39
April	28/04/2014	FUTCUR	GBPINR280414	101.84	101.63	101.68
May	28/05/2014	FUTCUR	GBPINR280514	99.23	99.24	99.20
June	26/06/2014	FUTCUR	GBPINR260614	102.02	102.22	102.23
July	28/07/2014	FUTCUR	GBPINR280714	102.03	102.04	102.04
August	26/08/2014	FUTCUR	GBPINR260814	100.49	100.34	100.32
September	26/09/2014	FUTCUR	GBPINR260914	100.19	100.39	100.42
October	29/10/2014	FUTCUR	GBPINR291014	98.80	99.00	99.00
November	26/11/2014	FUTCUR	GBPINR261114	97.10	97.20	97.22
December	29/12/2014	FUTCUR	GBPINR291214	99.09	99.19	99.14

Analysis of 2014

The target of this assesses the benefit or misfortune position of futures GBPINR. This examination depends on the average contract size entered in a year. This is considered from January 2014 to December 2014. The average contract size of GBPINR 41187.

Interpretation

The prices of the GBPINR is decreasing in the year 2014 because there is no such demand for that currency in the market, so it is better time to invest for the investors because the prices are getting lower, so this year is good for the investors.



Graph - 12

Graph showing the price movements of GBPINR Futures in 2014

Observation and Findings

If a person enters into a contract size 41187 of Futures of GBPINR on March with price of 99.39 and sells on the same on June with the price of 102.23 as per each contract. So the person ends up with profit of $102.23 - 99.39 = 2.84$

$2.84 * 41187 = 116971.08$ in rupees.

JPYINR

2017

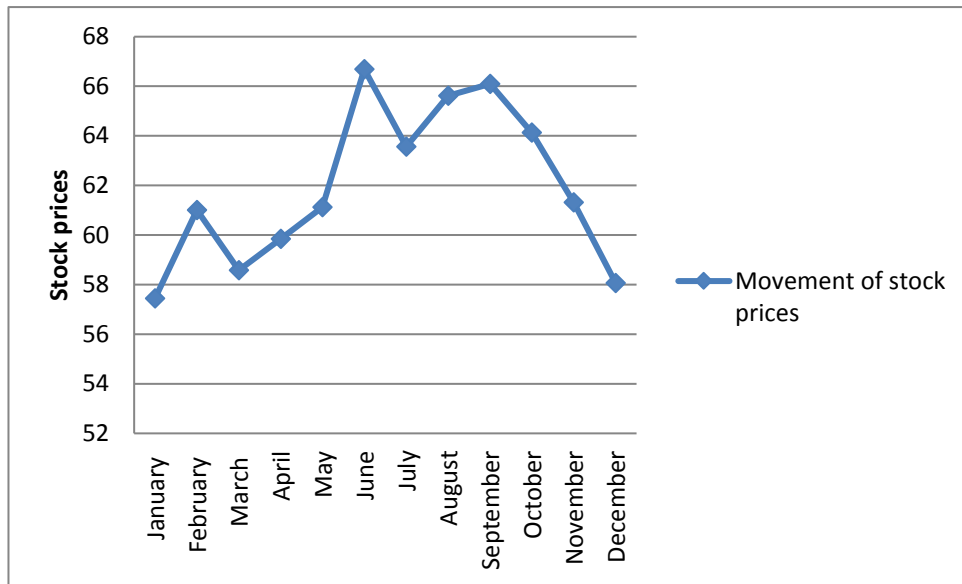
Month	Settlement Date	Instrument	Underlying	Open Price(Rs)	Close Price(Rs)	Settlement Price(Rs)
January	28/01/2017	FUTCUR	JPYINR270117	58.49	58.46	58.48
February	26/02/2017	FUTCUR	JPYINR250217	60.06	61.08	60.57
March	27/03/2017	FUTCUR	JPYINR290317	59.68	58.67	59.18
April	28/04/2017	FUTCUR	JPYINR270417	59.96	59.98	59.97
May	29/05/2017	FUTCUR	JPYINR270517	60.09	61.65	60.87
June	27/06/2017	FUTCUR	JPYINR280617	65.48	66.93	66.21
July	29/07/2017	FUTCUR	JPYINR270717	64.35	66.69	65.52
August	27/08/2017	FUTCUR	JPYINR290817	66.88	67.68	67.28
September	29/09/2017	FUTCUR	JPYINR280917	67.18	68.10	67.64
October	28/10/2017	FUTCUR	JPYINR261017	66.78	65.05	65.92
November	26/11/2017	FUTCUR	JPYINR281117	64.08	64.38	64.23
December	29/12/2017	FUTCUR	JPYINR281217	59.98	53.08	56.53

Analysis of 2017

The target of this assesses the benefit or misfortune position of futures JPYINR. This examination depends on the average contract size entered in a year. This is considered from January 2017 to December 2017. The average contract size of JPYINR41332.

Interpretation

In the year 2017 Japan's Yen ie, JPYINR when compared to that of the Indian Rupees it is fluctuating in wave like structure that means at first the currency value is lower when compared to that of the Indian Rupees then in the middle it rises and in the end of the year it again falls down.



Graph - 13

Graph showing the price movements of JPYINR Futures in 2017

Observation and Findings

If a person enters into a contract size of 41332 Futures of JPYINR on January with price of 58.48 and sells on the same on June with the price of 66.21 as per each contract. So the person ends up with profit of $66.21 - 58.48 = 7.73$

$7.73 * 41332 = 319496.36$ in rupees.

2016

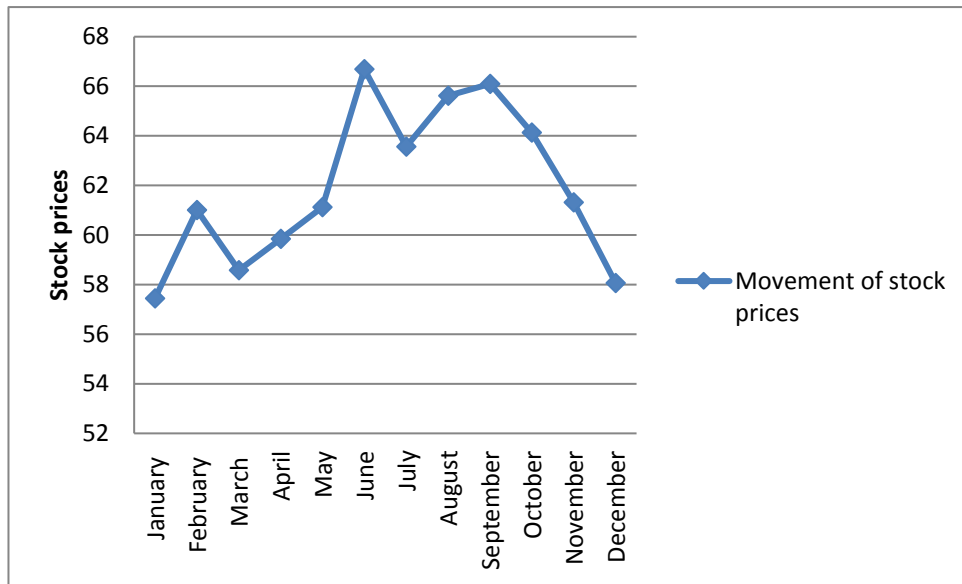
Month	Settlement Date	Instrument	Underlying	Open Price(Rs)	Close Price(Rs)	Settlement Price(Rs)
January	27/01/2016	FUTCUR	JPYINR270116	57.44	57.46	57.45
February	25/02/2016	FUTCUR	JPYINR250216	61.00	61.09	61.01
March	29/03/2016	FUTCUR	JPYINR290316	58.60	58.58	58.58
April	27/04/2016	FUTCUR	JPYINR270416	59.90	59.84	59.85
May	27/05/2016	FUTCUR	JPYINR270516	61.04	61.15	61.12
June	28/06/2016	FUTCUR	JPYINR280616	66.44	66.64	66.69
July	27/07/2016	FUTCUR	JPYINR270716	63.30	63.66	63.57
August	29/08/2016	FUTCUR	JPYINR290816	65.87	65.65	65.62
September	28/09/2016	FUTCUR	JPYINR280916	66.10	66.10	66.09
October	26/10/2016	FUTCUR	JPYINR261016	64.08	64.07	64.13
November	28/11/2016	FUTCUR	JPYINR281116	61.01	61.31	61.32
December	28/12/2016	FUTCUR	JPYINR281216	57.92	58.03	58.06

Analysis of 2016

The target of this assesses the benefit or misfortune position of futures JPYINR. This examination depends on the average contract size entered in a year. This is considered from January 2016 to December 2016. The average contract size of JPYINR36744.

Interpretation

The value of the JPYINR is decreasing in the year 2016, so it is helpful for the investors to make the contract in this year it yields more profits when the prices of the currencies is low at which when we transact in other currencies than Rupees.



Graph - 14

Graph showing the price movements of JPYINR Futures in 2016

Observation and Findings

If a person enters into a contract size 36744 of Futures of JPYINR on January with price of 57.44 and sells on the same on June with the price of 66.69 as per each contract. So the person ends up with profit of $66.69 - 57.44 = 9.25$

$9.25 * 36744 = 339882$ in rupees.

2015

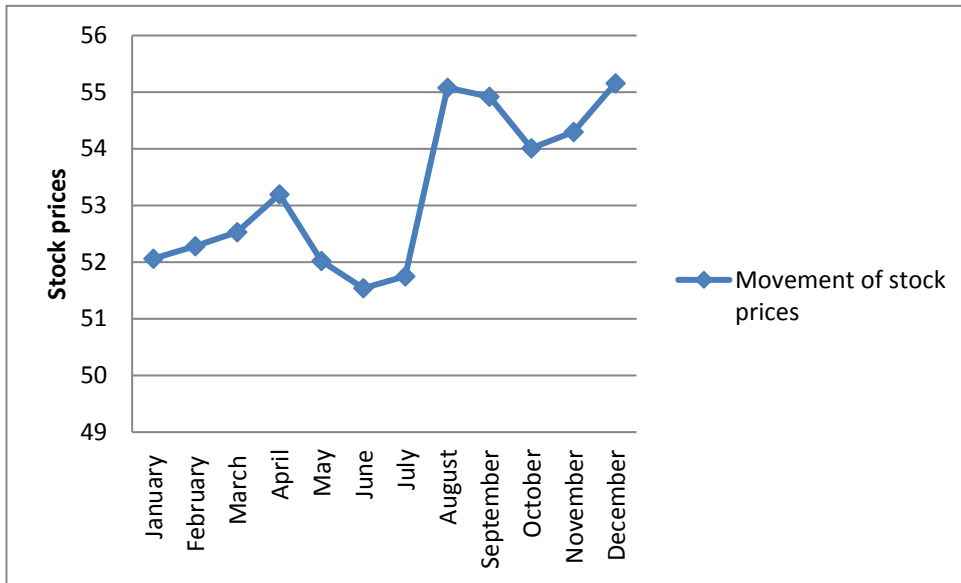
Month	Settlement Date	Instrument	Underlying	Open Price(Rs)	Close Price(Rs)	Settlement Price(Rs)
January	28/01/2015	FUTCUR	JPYINR280115	52.25	52.08	52.06
February	25/02/2015	FUTCUR	JPYINR250215	52.20	52.23	52.28
March	27/03/2015	FUTCUR	JPYINR270315	52.70	52.53	52.53
April	28/04/2015	FUTCUR	JPYINR280415	53.18	53.22	53.20
May	27/05/2015	FUTCUR	JPYINR270515	52.07	52.03	52.02
June	26/06/2015	FUTCUR	JPYINR260615	51.59	51.53	51.54
July	29/07/2015	FUTCUR	JPYINR290715	51.70	51.71	51.75
August	27/08/2015	FUTCUR	JPYINR270815	55.09	55.07	55.08
September	28/09/2015	FUTCUR	JPYINR280915	55.15	54.94	54.92
October	28/10/2015	FUTCUR	JPYINR281015	54.03	54.01	54.01
November	26/11/2015	FUTCUR	JPYINR261115	54.15	54.30	54.30
December	29/12/2015	FUTCUR	JPYINR291215	55.02	55.17	55.16

Analysis of 2015

The target of this assesses the benefit or misfortune position of futures JPYINR. This examination depends on the average contract size entered in a year. This is considered from January 2015 to December 2015. The average contract size of JPYINR20499.

Interpretation

As like the above currencies this currency also raised by its value in the year of 2015, Because of some economic reasons, so it attracts the investors by raising its value of currency.



Graph - 15

Graph showing the price movements of JPYINR Futures in 2015

Observation and Findings

If a person enters into a contract size 20499 of Futures of JPYINR on January with price of 52.06 and sells on the same on December with the price of 55.16 as per each contract. So the person ends up with profit of $55.16 - 52.06 = 3.1$

$3.1 * 20499 = 63546.9$ in rupees.

2014

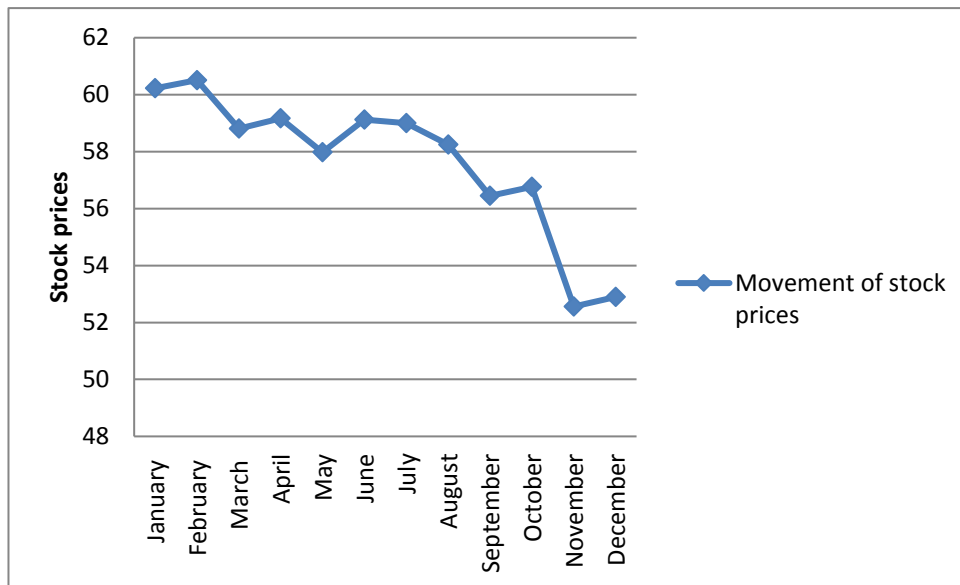
Month	Settlement Date	Instrument	Underlying	Open Price(Rs)	Close Price(Rs)	Settlement Price(Rs)
January	29/01/2014	FUTCUR	JPYINR290114	60.40	60.19	60.22
February	25/02/2014	FUTCUR	JPYINR250214	60.46	60.49	60.51
March	26/03/2014	FUTCUR	JPYINR260314	58.94	58.78	58.81
April	28/04/2014	FUTCUR	JPYINR280414	59.45	59.16	59.17
May	28/05/2014	FUTCUR	JPYINR280514	57.94	57.96	57.98
June	26/06/2014	FUTCUR	JPYINR260614	59.04	59.10	59.12
July	28/07/2014	FUTCUR	JPYINR280714	59.04	59.01	59.00
August	26/08/2014	FUTCUR	JPYINR260814	58.37	58.23	58.24
September	26/09/2014	FUTCUR	JPYINR260914	56.41	56.47	56.45
October	29/10/2014	FUTCUR	JPYINR291014	56.77	56.73	56.76
November	26/11/2014	FUTCUR	JPYINR261114	52.41	52.55	52.56
December	29/12/2014	FUTCUR	JPYINR291214	52.87	52.91	52.90

Analysis of 2014

The target of this assesses the benefit or misfortune position of futures JPYINR. This examination depends on the average contract size entered in a year. This is considered from January 2014 to December 2014. The average contract size of JPYINR18200.

Interpretation

The value of JPYINR in the year 2014 with respect to the Indian Currencies is getting lower from jan to dec in the year 2014 because of this the contract size is getting lower this year, But the difference between the opening and closing price of the respective months is not so difference.



Graph - 16

Graph showing the price movements of JPYINR Futures in 2014

Observation and Findings

If a person enters into a contract size 18200 of Futures of JPYINR on May with price of 57.98 and sells on the same on November with the price of 52.56 as per each contract. So the person ends up with loss of $52.56 - 57.98 = -5.42$

$-5.42 * 18200 = -98644$ in rupees.

$$\text{Beta: } \beta = \frac{n\sum XY - (\sum X)(\sum Y)}{[n\sum X^2 - (\sum X)^2]}$$

2017	USDINR		NIFTY		RETURNS				
Month	Open	Close	Open	Close	X	Y	X ²	X*Y	Y ²
Jan	73.61	72.75	8379.05	8386.2	0.0853	-1.1821	0.0073	-0.1008	1.3974
Feb	69.62	69.81	8819.47	8850	0.3450	0.2722	0.1190	0.0939	0.0741
Mar	71.56	68.55	9064.56	9060.3	-0.0470	-4.3910	0.0022	0.2065	19.2805
Apr	67.53	69.56	9245.75	9233.1	-0.1370	2.9183	0.0188	-0.3998	8.5167
May	68.05	68.29	9456.9	9463.5	0.0697	0.3514	0.0049	0.0245	0.1235
Jun	67.82	69.89	9261.42	9607	3.5972	2.9618	12.9396	10.6541	8.7722
Jul	68.42	69.55	9843.46	9850.1	0.0674	1.6247	0.0045	0.1095	2.6397
Aug	67.5	69.54	9921.34	9900.3	-0.2125	2.9336	0.0452	-0.6234	8.6058
Sep	70.45	68.45	9994.19	9975.1	-0.1914	-2.9218	0.0366	0.5592	8.5372
Oct	71.83	67.76	10136.8	10139	0.0217	-6.0065	0.0005	-0.1303	36.0780
Nov	72.44	69.7	10344.7	10329	-0.1520	-3.9311	0.0231	0.5975	15.4538
Dec	71.09	70.22	10325	10318	-0.0678	-1.2390	0.0046	0.0841	1.5350
n = 12			TOTAL		3.3785	-8.6095	13.2063	11.0748	111.0140
Summation Total					ΣX	ΣY	ΣX²	ΣX*Y	ΣY²

$$\beta = \frac{(12 * 0.11.0748) - (3.3785) * (-8.6095)}{158.4756 - (11.4143)}$$

$$158.4756 - (11.4143)$$

$$\beta = 1.10$$

Interpretation:

The above Beta values tells us that the beta value in the USDINR is higher than all of the above currencies ie (1.10) that directly indicates that the price movement of the US dollar is more than that of the market movement. For example if market value moves 100%, then the USDINR moves at 110%.

2017	EURINR		NIFTY		RETURNS				
Month	Open	Close	Open	Close	X	Y	X ²	X*Y	Y ²
Jan	75.77	76.95	8379.05	8386.2	0.0853	1.5335	0.0073	0.1307	2.3515
Feb	76.47	75.54	8819.47	8850	0.3450	-1.2311	0.1190	-0.4247	1.5157
Mar	75.46	74.65	9064.56	9060.3	-0.0470	-1.0851	0.0022	0.0510	1.1774
Apr	73.34	73.03	9245.75	9233.1	-0.1370	-0.4245	0.0188	0.0582	0.1802
May	76.45	75.65	9456.9	9463.5	0.0697	-1.0575	0.0049	-0.0738	1.1183
Jun	77.79	76.86	9261.42	9607	3.5972	-1.2100	12.9396	-4.3525	1.4641
Jul	74.99	74.94	9843.46	9850.1	0.0674	-0.0667	0.0045	-0.0045	0.0045
Aug	76.76	78.67	9921.34	9900.3	-0.2125	2.4279	0.0452	-0.5160	5.8945
Sep	76.5	77.65	9994.19	9975.1	-0.1914	1.4810	0.0366	-0.2834	2.1934
Oct	77.87	78.8	10136.8	10139	0.0217	1.1802	0.0005	0.0256	1.3929
Nov	74.98	76.78	10344.7	10329	-0.1520	2.3444	0.0231	-0.3563	5.4960
Dec	73.28	75.46	10325	10318	-0.0678	2.8889	0.0046	-0.1960	8.3460
n = 12			TOTAL		3.3785	6.7809	13.2063	5.9417	31.1344
Summation Total					ΣX	ΣY	ΣX²	ΣX*Y	ΣY²

$$B = \frac{(12 * -5.9417) - (3.3785) * (6.7809)}{(12 * 13.2063) - (11.4143)}$$

$$(12 * 13.2063) - (11.4143)$$

$$B = -0.64$$

Interpretation:

When it comes to EURINR the beta value that we are getting is -0.64 that indicates negatively with respect to the market movement, that means if the market is running under the profit then the EURINR is under losses.

2017	GBPINR		NIFTY		RETURNS				
Month	Open	Close	Open	Close	X	Y	X ²	X*Y	Y ²
Jan	98.27	99.57	8379.05	8386.2	0.0853	1.3056	0.0073	0.1113	1.7046
Feb	97.37	97.59	8819.47	8850	0.3450	0.2254	0.1190	0.0778	0.0508
Mar	95.69	94.77	9064.56	9060.3	-0.0470	-0.9708	0.0022	0.0456	0.9424
Apr	97.96	98.98	9245.75	9233.1	-0.1370	1.0305	0.0188	-	1.0620
May	98.37	98.36	9456.9	9463.5	0.0697	-0.0102	0.0049	-	0.0001
Jun	90.98	92.35	9261.42	9607	3.5972	1.4835	12.9396	5.3364	2.2007
Jul	89.49	88.19	9843.46	9850.1	0.0674	-1.4741	0.0045	-	2.1729
Aug	88.81	89.07	9921.34	9900.3	-0.2125	0.2919	0.0452	-	0.0852
Sep	90.88	88.49	9994.19	9975.1	-0.1914	-2.7009	0.0366	0.5169	7.2947
Oct	87.81	89.32	10136.8	10139	0.0217	1.6906	0.0005	0.0367	2.8580
Nov	88.7	95.85	10344.7	10329	-0.1520	7.4596	0.0231	-	55.6452
Dec	98.55	93.84	10325	10318	-0.0678	-5.0192	0.0046	0.3405	25.1922
n = 12			TOTAL		3.3785	3.3120	13.2063	5.0280	99.2088
Summation Total					ΣX	ΣY	ΣX²	ΣX*Y	ΣY²

$$B = \frac{(12 * 5.0280) - (3.3785) * (3.3120)}{(12 * 13.2063) - (11.4143)}$$

$$(12 * 13.2063) - (11.4143)$$

$$B = 0.33$$

Interpretation:

The currency movement is only 33% when it comes to GBPINR it is a good sign because if market increases by 100% then the currency value of the stock goes upto 33%.

2017	JPYINR		NIFTY		RETURNS				
Month	Open	Close	Open	Close	X	Y	X ²	X*Y	Y ²
Jan	58.49	58.46	8379.05	8386.2	0.0853	-0.0513	0.0073	-	0.0026
Feb	60.06	61.08	8819.47	8849.96	0.3445	1.6699	0.1187	0.5753	2.7887
Mar	59.68	58.67	9064.56	9060.33	-	-1.7215	0.0022	0.0804	2.9635
Apr	59.96	59.98	9245.75	9233.11	-	0.0333	0.0187	-	0.0011
May	60.09	61.65	9456.9	9463.48	0.0695	2.5304	0.0048	0.1759	6.4030
Jun	65.48	66.93	9261.42	9606.95	3.5967	2.1664	12.9360	7.7920	4.6935
Jul	64.35	66.69	9843.46	9850.11	0.0675	3.5088	0.0046	0.2369	12.3115
Aug	66.88	67.68	9921.34	9900.34	-	1.1820	0.0450	-	1.3972
Sep	67.18	68.1	9994.19	9975.12	-	1.3510	0.0365	-	1.8251
Oct	66.78	65.05	10136.8	10138.7	0.0186	-2.6595	0.0003	-	7.0729
Nov	64.08	64.38	10344.7	10329.4	-	0.4660	0.0220	-	0.2171
Dec	59.98	53.08	10325	10317.7	-	-	0.0050	0.9185	168.9804
n = 12			TOTAL		3.3763	-4.5237	13.2012	9.1423	208.6567
Summation Total					ΣX	ΣY	ΣX²	ΣX*Y	ΣY²

$$B = \frac{(12 * 9.1423) - (3.3763) * (-4.5237)}{(12 * 13.2012) - (11.3994)}$$

$$(12 * 13.2012) - (11.3994)$$

$$B = 0.64$$

Interpretation:

Then the last currency that is JPYINR its beta value is 0.64, that indicates the price movement against the market movement.

1 Month contract:

2017	Jan		Returns
Currencies	Open	Close	
USDINR	73.61	72.75	-1.18
EURINR	75.77	76.95	1.53
GBPINR	98.27	99.57	1.31
JPYINR	58.49	58.46	-0.05

2 Months contract:

2017	Jan	Feb	Returns
Currencies	Open	Close	
USDINR	73.61	69.81	-5.44
EURINR	75.77	75.54	-0.30
GBPINR	98.27	97.59	-0.70
JPYINR	58.49	61.08	4.24

3 Months contract:

2017	Jan	Mar	Returns
Currencies	Open	Close	
USDINR	73.61	68.55	-7.38
EURINR	75.77	74.65	-1.50
GBPINR	98.27	94.77	-3.69
JPYINR	58.49	58.67	0.31

INTERPRETATION:

To find out the profitability between one, two, three months contract we consider the returns on the currencies based on the above three contracts. So for that we need the opening price of the currencies and the closing price with the respective months based on the contract size.

When we consider the first currency USDINR it can give the highest profit in 1 month contract because we cannot see much fluctuations within one month of time so so it is worthful in investing in 1 month contract.

Then about second currency EURINR it is more profitable on 1 month contract only because in other two types of contracts it gives the negative returns, that indirectly indicates the losses is going to happen.

Third one GBPINR it is more profitable in the contract of 1 month, because in the other two types of contracts it shows the more negative returns over the investment made.

The last one currency that is JPYINR is more profitable in the 2 months contract because the prices are increasing with respect to the months.

So when we consider the overall the **1 Month contract** is more profitable irrespective of the currencies given or taken for the consideration.

CHAPTER - 5

FINDINGS, CONCLUSIONS, SUGGESTIONS

5.1 FINDINGS

Above analysis gives us a detailed view of how the investors end up successfully in earning profits using Future Contracts in Currencies Derivatives.

1. USDINR
2. EURINR
3. GBPINR
4. JPYINR

By analyzing these 4 currencies, we can see that USDINR is the much concentrated FUTCUR i.e. future currencies contract, which yields much profit when compared with rest of the currencies.

- Derivatives market is an improvement to cash promote. Generally its consistently turnover extents to the proportionate period of currency market.
- In currency market the advantage / loss of budgetary depends on the market cost of crucial asset. The monetary authority may achieve huge advantages or may realize immense hardship.
- Derivatives are mostly used for hedging purposes.

5.2 SUGGESTIONS

- Contract size ought to be limited since little financial specialists can't bear the cost of this a lot of gigantic premiums.
- SEBI needs to make additionally strides in the hazard administration in instrument.
- SEBI needs to take measures to utilize successfully the derivative portion as a device of supporting.

5.3 CONCLUSION

The above analysis gives us the idea of having low volatility, so the futures contract holders enjoys more profits. This study shows the much more interest of investors towards USDINR and its high rate of return. Bullish market of futures sustains more failures, so the investors is advised to leave the hold on the contract.

The beta value also gives us the conclusion that the value of USDINR is higher than all of the above currencies so from the point of view of returns in the perticular year and beta

values of the respective currencies we can conclude that the USDINR yields more profits than any other currencies that are taken for the concenteration like EURINR, GBPINR, JPYINR in the future.

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