

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.96	6.94
US 10 year	2.32	2.28
Eur 10 year	0.32	0.32
UK 10 year	1.09	1.09
JPY 10 year	0.01	0.02

RBI reference rate

	Close 4/28/2017	4/27/2017	% change
USD/INR	64.11	64.00	0.18
EUR/INR	69.89	70.04	-0.22
GBP/INR	82.59	82.13	0.56
YEN/INR	57.60	57.47	0.23

Spot

Spot	Close	Prev close	% change
Rupee	64.25	64.28	-0.04
Dollar index	99.08	99.05	0.03
Euro	1.0899	1.0895	0.04
British pound	1.2886	1.2951	-0.50
Japanese Yen	111.84	111.49	0.31
Australian (\$)	0.7526	0.7488	0.51
Swiss Franc	0.9963	0.9946	0.17

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	Vol
May	64.50	0.16	1451260	793171	-1.58	3.65
Jun	64.76	0.15	361336	68650	3.52	-24.18
May-Jun	-0.26	-	-	724521	-	91.34
Jun-Jul	-0.29	-	-	61306	-	89.30

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20940.51	20981.33	-0.19
Nasdaq	5583.53	5571.283	0.22
FTSE	7203.94	7237.17	-0.46
DAX	12438.01	12443.79	-0.05
Hang Sang	24615.13	24698.48	0.28
Nikkei	19196.74	19251.87	1.30
SGX Nifty	9351	9334	0.18

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1256.58	1268.28	-0.92
Copper	265	259.65	2.06
Brent crude	51.52	51.73	-0.41

Source: Reuters, Bloomberg, CdsI for above all exhibits

Research Analyst

Amit Gupta
amit.gup@icicisecurities.com

Gaurav Shah
gaurav.shah@icicisecurities.com

Debt market

- Sovereign bond yields gained this month, after the central bank increased measures to absorb liquidity from the banking system. Concerns that policy rates will start rising in coming months also weighed on demand
- Benchmark 6.97% 2026 bond yield increased to 6.96% from 6.94%
- Yield on the US 10-year increased to 2.32% from 2.28% in the previous session

Forex (US\$/INR)

- The rupee posted its first weekly rise in three weeks, as market-friendly Emmanuel Macron's victory in the first round of French presidential election and bets that he will go on to win the May 7 runoff with Eurosceptic Marine Le Pen boosted global risk appetite
- Data showed US manufacturing activity slowed in April while consumer spending was unchanged in March and a key inflation measure recorded its first monthly drop since 2001. Despite the soft data, traders continued to see a seven in 10 chance the Fed will hike interest rates in June

Equity

- Equity benchmarks took a breather for a second session in a row as investors resorted to profit booking in recently run up stocks ahead of an extended weekend
- The Sensex settled at 29918, down 111 points or 0.37% while the Nifty shed 38 points or 0.41% to end at 9304
- Broader markets performed relatively better as the BSE midcap index was up 0.18% while the small cap index gained 0.61% for the day. The market breadth on the BSE turned marginally negative as the session progressed highlighting profit booking

Commodities Market

- Crude prices were pressurised by data showing that growth in Chinese manufacturing slowed faster-than-expected in April. Oil slipped more than 1% as rising output in Libya and increased US drilling countered Opec-led production cuts
- Gold fell on Monday after the dollar edged up as US congressional negotiators hammered out a deal on a spending package to keep the federal government funded through September

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee May contract on the NSE ended at 64.50. The May contract open interest declined by 1.58% from the previous day
- June contract open interest increased 3.52% in the last session
- We expect the US\$ to meet supply pressure at higher levels. Utilise upsides in the pair to go short on the US\$/INR pair

Intra-day strategy

US\$/INR May futures contract (NSE)	View: Bearish on US\$/INR
Sell US\$/INR in the range of 64.40- 64.45	Market Lot: US\$1000
Target: 64.20/ 64.00	Stop Loss: 64.55
Support	Resistance
S1/ S2: 64.20 / 64.00	R1/R2: 64.55 / 64.65

Source: Company, ICICIdirect.com Research

*Call initiation and update messages will be broadcast on iclick-2-gain"

FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹ crore)
Equity	6398.12	6420.92	-22.80
Debt	625.80	731.29	894.51

Source: SEBI, CDSL

Exhibit 1: US\$ INR Currency Future (NSE)


Source: Reuters, ICICIdirect.com Research

Exhibit 2: Pivot Levels (NSE)

Futures	Pivot	S1	S2	R1	R2
US\$ - INR (May)	64.34	64.26	64.13	64.47	64.55
US\$ - INR (Jun)	64.61	64.54	64.42	64.72	64.79
EUR - INR (May)	70.29	70.19	70.10	70.38	70.48
EUR - INR (Jun)	70.69	70.61	70.53	70.77	70.85
GBP - INR (May)	82.94	82.69	82.27	83.37	83.62
GBP - INR (Jun)	83.41	83.25	82.99	83.67	83.83
JPY - INR (May)	57.78	57.58	57.24	58.12	58.32
JPY - INR (Jun)	58.18	58.06	57.88	58.36	58.48

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
28-Apr-17	May	Sell	Sell future	64.45	64.20	64.55	0	Not initiated

(*Returns are calculated on one lot only)

Exhibit 4: Contract Specification (NSE)

Underlying	Rate of exchange between one USD and INR
Trading Hours (Monday to Friday)	09:00 a.m. to 05:00 p.m.
Contract Size	USD 1000
Tick Size	0.25 paise or INR 0.0025
Trading Period	Maximum expiration period of 12 months
Contract Months	12 near calendar months
Final Settlement date/ Value date	Last working day of the month (subject to holiday calendars)
Last Trading Day	Two working days prior to Final Settlement Date
Settlement	Cash settled
Final Settlement Price	The reference rate fixed by RBI two days prior to the final settlement date will be used for final settlement

Source: NSE, ICICIdirect.com Research

NOTES:

- The Sell below / above price is a key technical level, which decides the trend for the day
- Initiate the trade within +/- 0.03—0.04 margin from the recommended level
- A return opportunity of about 0.09 paise is considered for partial profit booking post initiation of the trade
- Once the Call is initiated, an appropriate Stop Loss trigger should be put for the trade
- Once into position, put trailing stops to preserve your profits
- Be careful if the counter achieves the target immediately after opening
- The strategies are valid only for the date mentioned at the top
- Positions should be squared off by the end of the day
- The strategies are based on intra-day volatility, suggesting a two-way approach intra-day
- Medium to long-term prospects do not have any bearing on the daily view

MOST IMP: The follow-up and performance review table of the strategies indicates the profit opportunity that was available in the strategies. Individual profits may vary, depending upon the entry and exit price and stop losses



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICIdirect.com Research Desk,
ICICI Securities Limited,
1st Floor, Akruti Trade Centre,
Road No 7, MIDC
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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