

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.97	6.95
US 10 year	2.35	2.32
Eur 10 year	0.39	0.33
UK 10 year	1.12	1.07
JPY 10 year	0.02	0.02

RBI reference rate

	Close		% change
	5/4/2017	5/3/2017	
USD/INR	64.21	64.14	0.11
EUR/INR	69.94	70.03	-0.13
GBP/INR	82.56	82.80	-0.28
YEN/INR	56.95	57.24	-0.51

Spot

Spot	Close	Prev close	% change
Rupee	64.17	64.15	0.04
Dollar index	98.83	98.80	-0.42
Euro	1.0975	1.0985	0.91
British pound	1.2912	1.2923	0.44
Japanese Yen	112.58	112.46	-0.26
Australian (\$)	0.7395	0.7409	-0.19
Swiss Franc	0.9867	0.9864	-0.84

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
May	64.37	0.00	1412279	482727	0.40	-2.81
Jun	64.63	0.00	411919	83844	4.74	-26.50
May-Jun	-0.27	-	-	398883	-	82.63
Jun-Jul	-0.28	-	-	78561	-	93.70

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20951.47	20957.9	-0.03
Nasdaq	5626.316	5625.158	0.02
FTSE	7248.1	7234.53	0.19
DAX	12647.78	12527.84	0.96
Hang Sang	24503.12	24683.88	-0.73
Nikkei	19445.7	19196.74	1.30
SGX Nifty	9351.5	9387	-0.38

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1228.22	1228.16	-0.81
Copper	250.15	250.2	-1.22
Brent crude	48.31	48.38	-4.75

Source: Reuters, Bloomberg, Cdsl for above all exhibits

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Debt market

- Bonds ended lower in a lackluster trade, as investors dumped notes ahead of fresh supply of upcoming papers. Increased odds of a Federal Reserve rate hike as early as next month also hurt demand for bonds
- The benchmark 6.97% 2026 bond yield declined to 6.97% from 6.95%
- Yield on the US 10-year increased to 2.35% from 2.23% in the previous session

Forex (US\$/INR)

- Rupee was slightly lower against the dollar, in-line with other Asian currencies, as increasing expectations that the U.S. Federal Reserve will raise its policy rate next month buoyed demand for the greenback.
- Dollar Index was impacted by euro strength ahead of upcoming vote in France. Bets on the U.S. Federal Reserve raising rates next month rose to a 74 percent chance from 71 percent Wednesday, with help from data showing new applications for jobless benefits fell last week and the number of Americans on unemployment rolls hit a 17-year low.

Equity

- Equity benchmarks registered modest gains with Nifty closing at a record high on Thursday led by strong up move in the banking stocks after report that cabinet decided to amend the Banking Regulation Act to put in place a scheme to resolve stressed assets in the banking system
- The Sensex settled at 30126, up by 231 points or 0.77% while the Nifty shut shop at 9359 up by 48 points or 0.5%
- Broader markets performed at par with the benchmark as the BSE midcap and small cap index closed higher by 0.48% and 0.36% respectively. As a result the overall market breadth was marginally tilted in favour of advances with an A/D ratio of 1.1:1 on the BSE

Commodities Market

- Crude continued to drift lower Thursday as it fell to its lowest level since November 2016 as the participants worried about extended production cuts in their upcoming meeting. At the same time surge in shale gas production is keeping lid on Oil prices from moving higher.
- Gold as well fell sharply as the commodity sell-off even dented the safe haven trade of gold. In the last session it fell from \$1238 to \$1228. Going ahead the key support for the gold is placed around 1225, a move below this could amplify long liquidation in gold that could push it to 1200.

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee May contract on the NSE ended at 64.37. The May contract open interest increased by 0.4% from the previous day
- June contract open interest increased 4.74% 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 64.45- 64.50	Market Lot: US\$1000
Target: 64.25/ 64.10	Stop Loss: 64.60
Support	Resistance
S1/ S2: 64.25 / 64.10	R1/R2: 64.65 / 64.75

Source: Company, ICICIdirect.com Research

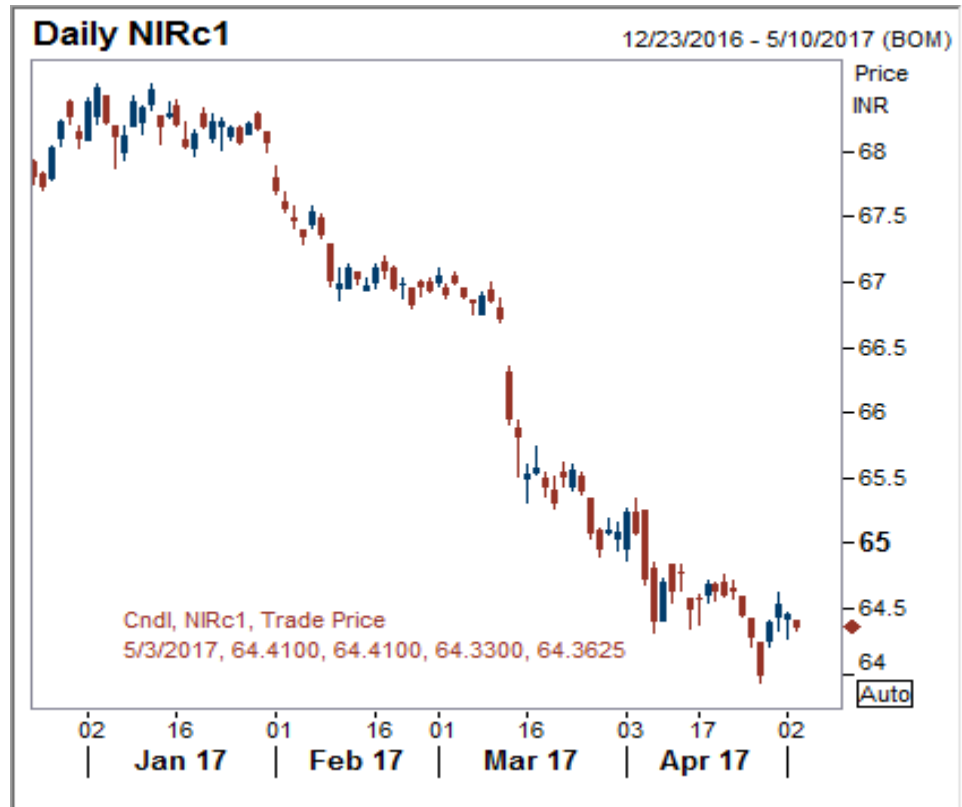
*Call initiation and update messages will be broadcast on iclick-2-gain"

FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹ crore)
Equity	4033.00	4126.00	-93.47
Debt	4526.00	4466.00	60.00

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)	64.37	64.31	64.24	64.44	64.51
US\$ - INR (Jun)	64.65	64.60	64.57	64.69	64.74
EUR - INR (May)	70.36	70.22	69.98	70.60	70.74
EUR - INR (Jun)	70.75	70.61	70.39	70.98	71.12
GBP - INR (May)	83.08	82.66	82.30	83.44	83.86
GBP - INR (Jun)	83.35	83.19	82.96	83.58	83.74
JPY - INR (May)	57.12	56.99	56.91	57.20	57.32
JPY - INR (Jun)	57.42	57.30	57.23	57.49	57.61

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
4-May-17	May	Sell	Sell future	64.52	64.30	64.60	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



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