

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.63	6.63
US 10 year	2.16	2.21
Eur 10 year	0.27	0.31
UK 10 year	1.04	1.07
JPY 10 year	0.06	0.05

RBI reference rate

	Close		% change
	02-06-2017	01-06-2017	
USD/INR	64.42	64.47	-0.08
EUR/INR	72.27	72.45	-0.25
GBP/INR	82.92	82.87	0.06
YEN/INR	57.72	58.07	-0.60

Spot

Spot	Close	Prev close	% change
Rupee	64.44	64.48	-0.06
Dollar index	96.72	97.20	-0.50
Euro	1.1279	1.1213	0.59
British pound	1.2888	1.2882	0.05
Japanese Yen	110.4	111.37	-0.87
Australian (\$)	0.7443	0.7374	0.94
Swiss Franc	0.9631	0.9715	-0.86

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
June	64.64	-0.06	1222985	601846	-0.19	-19.10
July	64.89	-0.08	399748	105005	6.45	0.32
June-July	-0.25	-	-	496841	-	82.55
July-August	-0.26	-	-	74036	-	70.51

Global Indices

Indices	Close	Prev close	% change
Dow Jones	21206.29	21144.18	0.29
Nasdaq	5881.458	5816.512	1.12
FTSE	7547.63	7543.77	0.05
DAX	12822.94	12664.92	1.25
Hang Sang	25880.47	25924.05	-0.17
Nikkei	20205.65	20177.28	0.14
SGX Nifty	9661	9645.5	0.16

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1279.17	1265.96	1.04
Copper	257.45	258.75	-0.50
Brent crude	49.95	50.63	-1.34

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds fell, as a weekly debt sale boosted supply of notes, weighing on investor appetite
- The benchmark 6.97% 2026 bond yield was unchanged at 6.63% in the previous session
- Yield on the US 10-year declined to 2.16% from 2.21% in the previous session

Forex (US\$/INR)

- The rupee was little changed against the US\$, as traders remained cautious ahead of US May employment data as well as RBI's monetary policy meeting this week
- The US\$ fell sharply against major currencies as US\$ bulls were disappointed by employment data in May. Non-farm payrolls rose a tad lower by 138000 against the previously 213000 jobs. Euro rose sharply on dollar weakness. We expect Japanese Yen to remain supported on rising safe demand amid news of alleged fresh terror attacks in London on Saturday

Equity

- Equity benchmarks edged higher to settle at fresh record highs on Friday buoyed by strength across the global equity markets
- The Sensex was up 135 points or 0.44% to 31273 while the Nifty gained 37 points or 0.39% to end at 9653
- Broader market outpaced the benchmarks as the BSE midcap and small cap indices rose 0.72% and 0.50%, respectively. As a result, the overall market breadth was favouring advances

Commodities Market

- Crude oil fell on Friday as a rise in US operating oil rigs amid global supply glut weighed on oil prices. Also, US may employment data raised concerns on a sustained revival in the US economy
- Gold prices rose sharply as weak US employment data and soft US\$ added to the precious metal's allure. Also, an alleged terrorist attack on London bridge further raised safe haven demand for gold

Strategy

- In the currency futures market, the most traded dollar-rupee June contract on the NSE ended at 64.64. The June contract open interest declined 0.19% from the previous day
- July contract open interest increased 6.45% 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 June futures contract (NSE)	View: Bearish on US\$INR
Sell US\$INR in the range of 64.65 - 64.75	Market Lot: US\$1000
Target: 64.45 / 64.35	Stop Loss: 64.85
Support	Resistance
S1/ S2: 64.60 / 64.40	R1/R2: 64.80 / 65.00

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	4547.31	4998.12	-93.47
Debt	2316.78	1157.53	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 (June)	64.63	64.56	64.47	64.71	64.78
US\$ - INR (July)	64.87	64.80	64.72	64.96	65.03
EUR - INR (June)	72.59	72.48	72.37	72.70	72.81
EUR - INR (July)	72.96	72.87	72.77	73.06	73.15
GBP - INR (June)	83.21	83.07	82.99	83.29	83.43
GBP - INR (July)	83.59	83.46	83.39	83.67	83.80
JPY - INR (June)	58.02	57.92	57.79	58.15	58.24
JPY - INR (July)	58.31	58.24	58.12	58.42	58.49

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
2-Jun-17	June	Sell	Sell future	64.73	64.40	64.87	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 paisa 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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