

**Treasury yields**

	Closing yield%	Previous yield %
India 10 year	6.65	6.63
US 10 year	2.18	2.16
Eur 10 year	0.29	0.27
UK 10 year	1.04	1.04
JPY 10 year	0.05	0.06

**RBI reference rate**

	Close		% change
	05-06-2017	02-06-2017	
USD/INR	64.35	64.42	-0.11
EUR/INR	72.49	72.27	0.31
GBP/INR	82.80	82.92	-0.15
YEN/INR	58.20	57.72	0.83

**Spot**

Spot	Close	Prev close	% change
Rupee	64.37	64.44	-0.12
Dollar index	96.80	96.72	0.09
Euro	1.1254	1.1279	-0.22
British pound	1.2904	1.2888	0.12
Japanese Yen	110.45	110.4	0.05
Australian (\$)	0.7487	0.7443	0.59
Swiss Franc	0.965	0.9631	0.20

**Currency futures (US\$/₹, NSE)**

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
June	64.54	-0.15	1245838	654926	1.87	8.82
July	64.78	-0.17	452958	158326	13.31	50.78
June-July	-0.24	-	-	496600	-	75.83
July-August	-0.27	-	-	104439	-	65.96

**Global Indices**

Indices	Close	Prev close	% change
Dow Jones	21184.04	21206.29	-0.10
Nasdaq	5878.117	5881.458	-0.06
FTSE	7525.76	7547.63	-0.29
DAX	12822.94	12664.92	1.25
Hang Sang	25963.13	25862.99	0.39
Nikkei	20040.67	20170.82	-0.65
SGX Nifty	9696.5	9694	0.03

\* Asian market as at 08.00 am

**Commodities**

	Close	Prev close	% change
Gold	1279.8	1279.17	0.04
Copper	255.75	257.45	-0.66
Brent crude	49.47	49.95	-0.96

Source: Reuters, Bloomberg, CdsI for above all exhibits

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**Debt market**

- Government bonds fell for a second day as investors deferred purchases ahead of the Monetary Policy Committee's two-day meeting
- The benchmark 6.97% 2026 bond yield rose to 6.65% from 6.63% in the previous session
- Yield on the US 10-year rose to 2.18% from 2.16% in the previous session

**Forex (US\$/INR)**

- The rupee rose to a more-than-two-week-high against US\$, as lower-than-expected May employment data raised doubts on hawkish interest rate expectations from the Fed post the June monetary meeting
- The US\$ was in a range in yesterday's trade after sustaining a series of losses in the previous few sessions. Traders await UK general elections ahead of US Fed FOMC meeting scheduled next week. We expect mild support for US\$ near 96 level while the Japanese Yen may remain supported due to rise in geo-political risks in the Gulf region as well as recent alleged terror attacks in UK

**Equity**

- Equity benchmarks settled marginally higher in a range bound trading session on Monday after hitting a fresh life-time high earlier in the session. The services sector growth rising at fastest pace in four months in May lifted the sentiment
- The Sensex settled at 31309, up 36 points while the Nifty added 21 points to shut shop at 9675
- In the broader market space, the BSE small cap index outperformed the benchmarks by gaining 0.65% while the midcap index rose 0.15%. As a result, the overall market breadth was marginally favouring advances with an A/D ratio of 1.15:1 on the BSE

**Commodities Market**

- Crude oil fell slightly in yesterday's trade as rift between Qatar and Saudi Arabia led few neighbours of Qatar weighed on oil price. Any rift in the Opec accord may see sharp selling in crude oil prices in the near term
- Gold prices sustained gains as a rise in geo political risks, a fresh terrorist attack in the UK and weaker US data support safe haven buying demand for gold

**Strategy**

- In the currency futures market, the most traded dollar-rupee June contract on the NSE ended at 64.54. The June contract open interest increased 1.87% from the previous day
- July contract open interest increased 13.31% 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**

<b>US\$INR June futures contract (NSE)</b>	<b>View: Bearish on US\$INR</b>
Sell US\$INR in the range of 64.60 - 64.70	Market Lot: US\$1000
Target: 64.35 / 64.25	Stop Loss: 64.80
Support	Resistance
S1/ S2: 64.48 / 64.28	R1/R2: 64.65 / 65.85

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	4535.70	4422.33	-93.47
Debt	3004.00	403.09	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)	64.52	64.48	64.40	64.60	64.64
US\$ - INR (July)	64.78	64.72	64.65	64.85	64.91
EUR - INR (June)	72.65	72.49	72.34	72.80	72.96
EUR - INR (July)	73.08	72.97	72.91	73.14	73.25
GBP - INR (June)	83.23	83.11	82.89	83.45	83.58
GBP - INR (July)	83.63	83.51	83.33	83.81	83.93
JPY - INR (June)	58.38	58.32	58.22	58.48	58.54
JPY - INR (July)	58.68	58.63	58.59	58.72	58.77

Source: NSE, ICICIdirect.com Research

### Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
5-Jun-17	June	Sell	Sell future	64.70	64.40	64.85	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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