

**Treasury yields**

	Closing yield%	Previous yield %
India 10 year	6.77	6.65
US 10 year	2.34	2.34
Eur 10 year	0.26	0.26
UK 10 year	1.10	1.09
JPY 10 year	0.06	0.07

**RBI reference rate**

	Close		% change
	06-04-2017	05-04-2017	
USD/INR	64.98	65.04	-0.10
EUR/INR	69.39	69.40	-0.02
GBP/INR	81.15	80.88	0.34
YEN/INR	58.79	58.76	0.05

**Spot**

Spot	Close	Prev close	% change
Rupee	64.53	64.88	-0.54
Dollar index	100.67	100.56	0.11
Euro	1.0644	1.0663	-0.18
British pound	1.247	1.2483	-0.10
Japanese Yen	110.81	110.7	0.10
Australian (\$)	0.7545	0.757	-0.33
Swiss Franc	1.005	1.0049	0.01

**Currency futures (US\$/₹, NSE)**

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
April	64.71	-0.57	1568920	1441706	-5.05	37.59
May	65.00	-0.55	471971	200240	12.27	26.90
April-May	-0.29	-	-	1241466	-	86.11
May-June	-0.28	-	-	184578	-	92.18

**Global Indices**

Indices	Close	Prev close	% change
Dow Jones	20662.95	20648.15	0.07
Nasdaq	5420.88	5418.524	0.04
FTSE	7303.2	7331.68	-0.39
DAX	12230.89	12217.54	0.11
Hang Sang	24005.76	24273.72	-1.10
Nikkei	18585.94	18597.06	-0.06
SGX Nifty	9215	9267	-0.56

\* Asian market as at 08.00 am

**Commodities**

	Close	Prev close	% change
Gold	1251.7	1255.76	-0.32
Copper	265.8	268	-0.82
Brent crude	54.89	54.36	0.97

Source: Reuters, Bloomberg, CdsI for above all exhibits

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**Debt market**

- Government bonds fell for a second day as yields rose after the country's Monetary Policy Committee hinted at steps to curb the surging banking system liquidity
- The benchmark 6.97% 2026 bond yield surged sharply higher to 6.77% from 6.65% in the previous session
- Yield on the US 10-year was steady at 2.34% in the previous session

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

- The rupee rose to a near-20-month high against the US\$, helped by inflows and US\$ sales by foreign banks, while Central bank increased reverse repo rate by 0.25% to 6%.
- The US\$ posted minor gains against major currencies as weakness in Euro was offset by gains in Japanese Yen. We expect US\$ to remain supported due to rising geo political tension in middle east after the reports of US led attacks on Syrian air base. Japanese Yen gained due to its safe haven status. We expect the pair to see some further selling as the pair remains highly immune to the US rate hike trajectory

**Equity**

- Benchmark indices snapped six day winning streak and ended marginally lower amid consolidation on Thursday after the RBI kept policy rates unchanged at 6.25% in line with market expectations
- The Sensex settled at 29927 down 46 points or 0.16% while the Nifty shut shop at 9261 down just 3 points
- Broader markets were mixed as the BSE mid cap was up 0.15% whereas small cap index fell 0.23%. As a result the overall market breadth was marginally tilted in favour of declines

**Commodities Market**

- Crude oil surged sharply higher after the news of US attacks on Syrian air field in response to alleged chemical attacks in Syria. Although Syria is not a major oil producer, oil rose due to risks disruptions in other gulf regions
- Although gold ended day lower in yesterday trade, currently it is trading higher with gains above 1% due to safe haven in precious metal. Spike in geo political risk would support gold. Also rising inflation in developed economies is positive for gold

**US\$/INR derivatives strategy**

- In the currency futures market, the most traded dollar-rupee April contract on the NSE ended at 64.71. The April contract open interest fell 5.05% from the previous day
- May contract open interest rose 12.27% from the previous day
- 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 April futures contract (NSE)	View: Bearish on US\$/INR
Sell US\$/INR in the range of 65.05 - 65.15	Market Lot: US\$1000
Target: 64.80 / 64.70	Stop Loss: 65.22
Support	Resistance
S1/ S2: 64.70 / 64.60	R1/R2: 65.10 / 65.20

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	7909.95	7428.83	481.12
Debt	5168.25	1781.52	3386.73

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 (Apr)	64.89	64.53	64.33	65.09	65.45
US\$ - INR (May)	65.17	64.83	64.64	65.36	65.69
EUR - INR (Apr)	69.31	68.92	68.69	69.54	69.93
EUR - INR (May)	69.68	69.29	69.07	69.90	70.28
GBP - INR (Apr)	80.98	80.39	80.04	81.33	81.92
GBP - INR (May)	81.36	80.85	80.55	81.66	82.17
JPY - INR (Apr)	58.62	58.15	57.89	58.88	59.35
JPY - INR (May)	58.91	58.46	58.20	59.17	59.63

Source: NSE, ICICIdirect.com Research

### Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
6-Apr-17	April	Buy	Buy future	65.10	65.45	64.98	-120	Exit in loss

(\*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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