

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.83	6.88
US 10 year	2.52	2.50
Eur 10 year	0.32	0.34
UK 10 year	1.19	1.21
JPY 10 year	0.08	0.07

RBI reference rate

	Close		% change
	07-03-2017	06-03-2017	
USD/INR	66.63	66.76	-0.18
EUR/INR	70.56	70.73	-0.25
GBP/INR	81.53	81.98	-0.54
YEN/INR	58.48	58.67	-0.32

Spot

Spot	Close	Prev close	% change
Rupee	66.67	66.72	-0.06
Dollar index	101.81	101.64	0.17
Euro	1.0566	1.0582	-0.15
British pound	1.22	1.2236	-0.29
Japanese Yen	113.98	113.89	0.08
Australian (\$)	0.7588	0.7579	0.12
Swiss Franc	1.0133	1.0123	0.10

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
March	66.85	-0.22	1682079	529965	-0.21	3.94
April	67.10	-0.24	488615	96055	17.06	34.43
March-April	-0.25	-	-	433910	-	81.88
April-May	-0.27	-	-	90035	-	93.73

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20924.76	20954.34	-0.14
Nasdaq	5351.281	5360.313	-0.17
FTSE	7338.99	7350.12	-0.15
DAX	11966.14	11958.4	0.06
Hang Sang	23698.77	23681.07	0.07
Nikkei	19252.68	19344.15	-0.47
SGX Nifty	8970.5	8983	-0.14

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1215.86	1225.29	-0.77
Copper	260.95	264.3	-1.27
Brent crude	55.92	56.01	-0.16

Source: Reuters, Bloomberg, Cdsl for above all exhibits

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Debt market

- Government bonds ended higher amid likely short covering, erasing losses caused by rising probability of a Federal Reserve rate increase next week
- The benchmark 6.97% 2026 bond yield fell to 6.83% from 6.88% in the previous trading day
- Yield on the US 10-year rose to 2.52% from 2.50% in the previous day

Forex (US\$/INR)

- The rupee rose to a near-four-month high against the dollar, as strong domestic equity markets along with consistent foreign fund inflows offset worries over a US interest rate hike next week
- The US\$ ended the day with mild gains as rising US yields amid almost certain interest rate hike in upcoming March FOMC meet supported US\$. Euro-US\$ pair is weighed down ahead of ECB monetary meeting tomorrow

Equity

- Equity benchmarks settled marginally lower in a choppy and range bound trading session as investors stayed cautious ahead of the outcome of key state election results
- The Sensex declined 48 points or 0.17% while the Nifty retreated 16 points or 0.18% for the day
- Broader markets maintained their outperformance as the BSE midcap index gained 0.14% while the small cap index ended flat. The overall market breadth was, however, tilted in favour of declines

Commodities Market

- Crude oil prices continue to trade in a narrow range as the global glut continued to suppress joint efforts by Opec and Russia to support prices by curbing supplies. Supply compliance may well roll to the second half of the year to counter rising US oil supplies
- Gold prices continued their slide yesterday as almost certain US March interest rate hike is adjusted by market participants. Investors in precious metals would be awaiting further outlook on the economy from Fed as quantum of more hikes would keep precious metal market on edge

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee March contract on the NSE ended at 66.85. The March contract open interest fell 0.21% from the previous day
- April contract open interest rose 17.06% from the previous day
- We expect the US dollar to meet resistance at higher levels. Utilise upsides in the dollar to go short on the US\$/INR pair

Intra-day strategy

US\$INR March futures contract (NSE)	View: Bearish on US\$INR
Sell US\$INR in the range of 66.95 - 67.05	Market Lot: US\$1000
Target: 66.70 / 66.50	Stop Loss: 67.15
Support	Resistance
S1/ S2: 66.70 / 66.50	R1/R2: 66.95 / 67.05

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	8699.96	7859.04	840.92
Debt	913.34	388.22	525.12

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 (Mar)	66.82	66.78	66.71	66.89	66.93
US\$ - INR (Apr)	67.09	67.04	66.98	67.15	67.19
EUR - INR (Mar)	70.81	70.69	70.59	70.91	71.04
EUR - INR (Apr)	71.19	71.07	70.99	71.27	71.39
GBP - INR (Mar)	81.73	81.47	81.31	81.89	82.14
GBP - INR (Apr)	82.14	81.88	81.72	82.30	82.56
JPY - INR (Mar)	58.74	58.68	58.60	58.82	58.88
JPY - INR (Apr)	59.07	59.00	58.90	59.17	59.24

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
7-Mar-17	March USD/INR	Sell	Sell future	67.10	66.75	67.20	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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