

**Treasury yields**

	Closing yield%	Previous yield %
India 10 year	6.57	6.64
US 10 year	2.17	2.15
Eur 10 year	0.27	0.25
UK 10 year	1.00	0.98
JPY 10 year	0.05	0.04

**RBI reference rate**

	Close		% change
	07-06-2017	06-06-2017	
USD/INR	64.45	64.35	0.16
EUR/INR	72.66	72.52	0.19
GBP/INR	83.25	83.16	0.10
YEN/INR	58.93	58.71	0.37

**Spot**

Spot	Close	Prev close	% change
Rupee	64.33	64.43	-0.15
Dollar index	96.75	96.64	0.12
Euro	1.1257	1.1277	-0.18
British pound	1.296	1.2911	0.38
Japanese Yen	109.82	109.41	0.37
Australian (\$)	0.7549	0.7506	0.57
Swiss Franc	0.9652	0.9621	0.32

**Currency futures (US\$/₹, NSE)**

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
June	64.52	-0.14	1038595	776974	-12.26	51.63
July	64.77	-0.14	469531	102102	1.80	27.23
June-July	-0.25	-	-	674872	-	86.86
July-August	-0.24	-	-	95500	-	93.53

**Global Indices**

Indices	Close	Prev close	% change
Dow Jones	21173.69	21136.23	0.18
Nasdaq	5877.589	5856.769	0.36
FTSE	7478.62	7524.95	-0.62
DAX	12672.49	12690.12	-0.14
Hang Sang	25985.89	25974.16	0.05
Nikkei	19990.04	19984.62	0.03
SGX Nifty	9677.5	9696	-0.19

\* Asian market as at 08.00 am

**Commodities**

	Close	Prev close	% change
Gold	1287.15	1294.39	-0.56
Copper	255.15	254.7	0.18
Brent crude	48.06	50.12	-4.11

Source: Reuters, Bloomberg, CdsI for above all exhibits

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**Debt market**

- Government bonds rose to record highs, as investors cheered the Monetary Policy Committee's downward revision of inflation projection, raising hope of a rate cut in the near future if inflation remains subdued
- The benchmark 6.97% 2026 bond yield fell sharply to 6.57% from 6.64% in the previous session
- Yield on the US 10-year rose to 2.17% from 2.15% in the previous session

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

- The rupee extended gains to end at the highest level in three weeks against US\$, after the Monetary Policy Committee maintained key interest rates while revising inflation projections lower
- The US\$ remains broadly in range as gains over Japanese Yen were offset by losses against British Pound. UK's general elections today would set the near term trend in British pound. GBP has rallied over expectation of a Conservatives win. Any adverse outcome would lead to a sharp fall in the British Pound

**Equity**

- Equity benchmarks settled higher after the RBI maintained status quo on key rates while reducing the statutory liquidity ratio by 50 bps on Wednesday
- The Sensex gained 93 points 0.30% to 31288 while the Nifty rose 26 points or 0.28% to 9664
- After Tuesday's profit booking, broader markets bounced back in tandem with benchmarks as the BSE midcap and small cap indices gained 0.54% and 0.74%, respectively. As a result, overall market breadth was in favour of advances with an A/D ratio of 1.15:1 on the BSE

**Commodities Market**

- Crude oil fell sharply over 4% in yesterday's trade post US weekly stocks data. US underground oil stocks rose by 3.1 mb, highest since mid March contrary to market expectation of a further drawdown in stocks
- Gold prices saw some profit booking in yesterday's trade as US equities rose leading to easing risk aversion. Also, UK's general elections today would keep safe haven assets on the edge ahead of a final verdict

**Strategy**

- In the currency futures market, the most traded dollar-rupee June contract on the NSE ended at 64.52. The June contract open interest declined 12.26% from the previous day
- July contract open interest increased 1.80% 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 64.55- 64.65	Market Lot: US\$1000
Target: 64.30 / 64.20	Stop Loss: 64.75
Support	Resistance
S1/ S2: 64.44 / 64.24	R1/R2:64.60 /64.80

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	4094.77	7228.40	-93.47
Debt	1649.11	861.37	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)	64.55	64.42	64.33	64.64	64.77
US\$ - INR (July)	64.80	64.67	64.58	64.88	65.01
EUR - INR (June)	72.55	72.17	71.95	72.77	73.15
EUR - INR (July)	72.94	72.57	72.36	73.15	73.52
GBP - INR (June)	83.34	83.17	83.04	83.47	83.65
GBP - INR (July)	83.72	83.55	83.42	83.85	84.02
JPY - INR (June)	59.02	58.86	58.76	59.12	59.29
JPY - INR (July)	59.32	59.16	59.05	59.43	59.60

Source: NSE, ICICIdirect.com Research

### Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
7-Jun-17	June	Sell	Sell future	64.68	64.45	64.83	120	booked profits

(\*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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