

**Treasury yields**

	Closing yield%	Previous yield %
India 10 year	6.82	6.77
US 10 year	2.38	2.34
Eur 10 year	0.23	0.26
UK 10 year	1.08	1.10
JPY 10 year	0.06	0.06

**RBI reference rate**

	Close		% change
	07-04-2017	06-04-2017	
USD/INR	64.39	64.98	-0.90
EUR/INR	68.56	69.39	-1.20
GBP/INR	80.26	81.15	-1.10
YEN/INR	58.19	58.79	-1.02

**Spot**

Spot	Close	Prev close	% change
Rupee	64.28	64.53	-0.39
Dollar index	101.18	100.67	0.51
Euro	1.0591	1.0644	-0.50
British pound	1.2371	1.247	-0.79
Japanese Yen	111.09	110.81	0.25
Australian (\$)	0.75	0.7545	-0.60
Swiss Franc	1.0091	1.005	0.41

**Currency futures (US\$/₹, NSE)**

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
April	64.43	-0.43	1530868	2001266	-2.43	38.81
May	64.73	-0.42	601950	448042	27.54	123.75
April-May	-0.30	-	-	1553224	-	77.61
May-June	-0.55	-	-	419944	-	93.73

**Global Indices**

Indices	Close	Prev close	% change
Dow Jones	20656.1	20662.95	-0.03
Nasdaq	5418.37	5420.88	-0.05
FTSE	7349.37	7303.2	0.63
DAX	12225.06	12230.89	-0.05
Hang Sang	24267.3	24273.72	0.13
Nikkei	18664.63	18597.06	0.63
SGX Nifty	9218.5	9267	0.01

\* Asian market as at 08.00 am

**Commodities**

	Close	Prev close	% change
Gold	1254.53	1251.7	0.23
Copper	264.7	265.8	-0.41
Brent crude	55.24	54.89	0.64

Source: Reuters, Bloomberg, CdsI for above all exhibits

**Research Analyst**

Amit Gupta  
 amit.gup@icicisecurities.com

Gaurav Shah  
 gaurav.shah@icicisecurities.com

**Debt market**

- Government yields rose last week, with the yield on the benchmark note posting its biggest gain in four weeks, after the central bank said it will use some tools to absorb excess liquidity in the banking system
- The benchmark 6.97% 2026 bond yield surged to 6.82% from 6.77% in the previous session
- Yield on the US 10-year was steady and rose to 2.38% from 2.34% in the previous session

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

- The rupee rose to a fresh near 20-month high against US\$, as sustained dollar sales by foreign and private banks offset global risk-off and US\$ purchases by state-run lenders, likely on behalf of the central bank
- The US\$ posted gains against major currencies as the US\$ index ended above 101 level posting gains of over 0.5%. The British pound weakened sharply due to lower construction data implying waning benefit of a weaker pound post Brexit vote. The JPY and euro also weakened as the US\$ benefited on expectations of the Fed reducing its balance sheet, implying a revival in the US economy

**Equity**

- Equity benchmarks settled with sharp losses on Friday along with a fall in the global markets amid rising geopolitical tensions in the Middle East while back home expectations of no further rate cuts this year by the RBI also impacted sentiments
- The Sensex fell 220 points or 0.74% to 29706 while the Nifty lost 63 points or 0.69% at 9198
- Broader markets also settled lower as the BSE midcap and small cap indices were down 0.30% and 0.47%, respectively. The overall market breadth was weak with an A/D ratio of 1:1.27 on the BSE

**Commodities Market**

- Crude oil posted minor gains as Russia has signalled supporting the six-month extension in current supply curbs plan. Opec and other member's joint efforts to limit supply are being countered by rising supplies from US
- Gold ended the day with minor gains supported by the rise in geo-political risks. Rising inflation in developed economies is supporting gold even defying a rise in US\$. We expect gold to remain supported in the near term due to a host of geo-political risks and inflation hedge demand

**US\$/INR derivatives strategy**

- In the currency futures market, the most traded dollar-rupee April contract on the NSE ended at 64.43. The April contract open interest fell 2.43% from the previous day
- May contract open interest rose 27.54% 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**

<b>US\$INR April futures contract (NSE)</b>	<b>View: Bearish on US\$INR</b>
Sell US\$INR in the range of 64.65 - 64.75	Market Lot: US\$1000
Target: 64.50 / 64.30	Stop Loss: 64.85
Support	Resistance
S1/ S2: 64.50 / 64.30	R1/R2:64.70 /64.90

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	5331.32	4890.95	440.37
Debt	2185.66	786.01	1399.65

Source: SEBI, CDSL

### Exhibit 1: US\$ INR Currency Future (NSE)



### Exhibit 2: Pivot Levels (NSE)

Futures	Pivot	S1	S2	R1	R2
US\$ - INR (Apr)	64.53	64.20	63.99	64.74	65.06
US\$ - INR (May)	64.81	64.49	64.27	65.03	65.35
EUR - INR (Apr)	68.72	68.33	68.11	68.94	69.33
EUR - INR (May)	69.12	68.74	68.52	69.34	69.72
GBP - INR (Apr)	80.34	79.75	79.40	80.68	81.28
GBP - INR (May)	80.73	80.18	79.86	81.05	81.60
JPY - INR (Apr)	58.40	58.03	57.82	58.61	58.98
JPY - INR (May)	58.68	58.34	58.13	58.89	59.23

Source: NSE, ICICIdirect.com Research

### Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
7-Apr-17	April USD/INR	Sell	Sell future	65.10	64.75	65.22	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



**Pankaj Pandey**

**Head – Research**

**pankaj.pandey@icicisecurities.com**

**ICICIdirect.com Research Desk,  
ICICI Securities Limited,  
1st Floor, Akruiti Trade Centre,  
Road No 7, MIDC  
Andheri (East)  
Mumbai – 400 093  
**research@icicidirect.com****

### **Disclaimer**

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities Ltd (I-Sec). The author may be holding a small number of shares/position in the above-referred companies as on date of release of this report. I-Sec may be holding a small number of shares/position in the above-referred companies as on date of release of this report. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This report may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. I-Sec and affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Actual results may differ materially from those set forth in projections. I-Sec may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject I-Sec and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.