

**Treasury yields**

	Closing yield%	Previous yield %
India 10 year	6.87	6.82
US 10 year	2.37	2.38
Eur 10 year	0.21	0.23
UK 10 year	1.08	1.08
JPY 10 year	0.06	0.06

**RBI reference rate**

	Close		% change
	10-04-2017	07-04-2017	
USD/INR	64.44	64.39	0.08
EUR/INR	68.25	68.56	-0.45
GBP/INR	79.86	80.26	-0.50
YEN/INR	57.87	58.19	-0.55

**Spot**

Spot	Close	Prev close	% change
Rupee	64.57	64.28	0.44
Dollar index	101.02	101.18	-0.16
Euro	1.0596	1.0591	0.05
British pound	1.2415	1.2371	0.36
Japanese Yen	110.94	111.09	-0.14
Australian (\$)	0.7501	0.75	0.01
Swiss Franc	1.0087	1.0091	-0.04

**Currency futures (US\$/₹, NSE)**

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
April	64.69	0.40	1410424	1011896	-7.87	-49.44
May	65.00	0.42	663040	251370	10.15	-43.90
April-May	-0.31	-	-	760526	-	75.16
May-June	-0.25	-	-	204130	-	81.21

**Global Indices**

Indices	Close	Prev close	% change
Dow Jones	20658.02	20656.1	0.01
Nasdaq	5421.679	5418.37	0.06
FTSE	7348.94	7349.37	-0.01
DAX	12200.52	12225.06	-0.20
Hang Sang	24262.18	24267.3	-0.87
Nikkei	18797.88	18664.63	-0.51
SGX Nifty	9210	9218.5	-0.27

\* Asian market as at 08.00 am

**Commodities**

	Close	Prev close	% change
Gold	1254.68	1254.53	0.01
Copper	260.4	264.7	-1.62
Brent crude	55.98	55.24	1.34

Source: Reuters, Bloomberg, CdsI for above all exhibits

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**Debt market**

- Government bonds fell for a fourth day, with the benchmark note ending near a three-week low, as demand remained subdued amid concerns that the central bank may take measures to drain out excess liquidity in the banking system
- The benchmark 6.97% 2026 bond yield surged to 6.87% from 6.82% in the previous session
- Yield on the US 10-year fell to 2.37% from 2.38% in the previous session

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

- The rupee fell for the first time in four sessions against the US\$, tracking most of its Asian peers, as growing geopolitical tensions hurt investors' appetite for emerging-market assets
- The US\$ fell against major currencies as lower March employment data weighed on the US\$ at higher levels. Japanese yen posted gains supported by safe haven demand due to a spike in geo-political risks from Syria and North Korea. We expect the US\$ to remain in a range due to global political risks amid rate hike sentiment

**Equity**

- Equity benchmarks settled lower extending their losing streak for a third session in a row as investors stayed cautious ahead of the onset of quarterly earnings and key IIP, consumer inflation data in the middle of the week. Overseas cues were also dismal triggering profit booking in recently run up stocks
- The Sensex fell 130 points or 0.44% to 29575 while the Nifty lost 16 points or 0.18% at 9181
- Broader markets outperformed benchmarks as the BSE midcap and small cap indices gained 0.6% each. As a result, the overall market breadth was positive with an A/D ratio of 1.5:1 on the BSE

**Commodities Market**

- Crude oil continued to extend gains on expectations Russia may join the extension of supply curbs for further six months. Also, unrest in Syria is raising concerns on contagion in surrounding areas
- Gold posted fickle gains as the US\$ fell against major currencies. Disappointing March employment data and rising geo-political risks has raised concerns on Fed's interest rate hike trajectory for 2017 supporting non interest paying asset

**US\$/INR derivatives strategy**

- In the currency futures market, the most traded dollar-rupee April contract on the NSE ended at 64.69. The April contract open interest fell 7.87% from the previous day
- May contract open interest rose 10.15% from the previous day
- We expect the US\$ to find supports at lower levels. Utilise downsides in the pair to go long on the US\$/INR pair

**Intra-day strategy**

US\$/INR April futures contract (NSE)	View: Bullish on US\$/INR
Buy US\$/INR in the range of 64.50 - 64.60	Market Lot: US\$1000
Target: 64.80 / 65.00	Stop Loss: 64.40
Support	Resistance
S1/ S2: 64.60 / 64.40	R1/R2: 64.80 / 65.00

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	5199.54	5341.28	-141.74
Debt	1246.29	500.35	745.94

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)	64.61	64.50	64.30	64.82	64.93
US\$ - INR (May)	64.91	64.81	64.62	65.10	65.20
EUR - INR (Apr)	68.45	68.29	68.04	68.69	68.86
EUR - INR (May)	68.86	68.71	68.51	69.06	69.21
GBP - INR (Apr)	80.17	79.99	79.64	80.52	80.71
GBP - INR (May)	80.59	80.42	80.11	80.90	81.07
JPY - INR (Apr)	58.11	57.96	57.72	58.35	58.50
JPY - INR (May)	58.41	58.29	58.07	58.63	58.75

Source: NSE, ICICIdirect.com Research

### Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
10-Apr-17	April	Sell	Sell future	64.70	64.40	64.85	-10	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 paise 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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