

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.94	6.93
US 10 year	2.41	2.40
Eur 10 year	0.42	0.43
UK 10 year	1.17	1.20
JPY 10 year	0.04	0.04

RBI reference rate

	Close		% change
	09-05-2017	08-05-2017	
USD/INR	64.51	64.22	0.45
EUR/INR	70.47	70.50	-0.04
GBP/INR	83.53	83.26	0.33
YEN/INR	56.90	56.99	-0.16

Spot

Spot	Close	Prev close	% change
Rupee	64.63	64.31	0.50
Dollar index	99.67	99.66	0.01
Euro	1.0868	1.0874	-0.06
British pound	1.2938	1.2934	0.03
Japanese Yen	114.28	113.98	0.26
Australian (\$)	0.7367	0.7345	0.30
Swiss Franc	1.0089	1.0074	0.15

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
May	64.78	0.47	1244190	1032057	-9.35	101.34
Jun	65.04	0.46	469972	157245	6.26	146.88
May-Jun	-0.26	-	-	874812	-	84.76
Jun-Jul	-0.28	-	-	147486	-	93.79

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20943.11	20975.78	-0.16
Nasdaq	5681.68	5678.31	0.06
FTSE	7385.24	7342.21	0.59
DAX	12757.46	12749.12	0.07
Hang Sang	25057.64	25015.42	0.17
Nikkei	19929.27	19900.09	0.15
SGX Nifty	9446.5	9418.5	0.30

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1219.1	1221.23	-0.17
Copper	248.7	249	-0.12
Brent crude	50.22	48.73	3.06

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds fell for the first time in three days, as investors sold to benefit from a sharp rally after the government announced the auction of a new 10-year paper
- The benchmark 6.97% 2026 bond yield rose to 6.94% from 6.93%
- Yield on US 10-year rose to 2.41% from 2.40% in the previous session

Forex (US\$/INR)

- The rupee logged the worst fall against the US\$ in nearly five months, on US\$ demand and importers covering payables
- Major currencies remained in a range in the absence of any major triggers. The US\$JPY continued to gain due to an almost certain US interest rate hike next month while the BoJ still remains committed to extend monetary stimulus. The British pound remains on the edge ahead of today's BoE policy meeting paring yesterday's intra day gains

Equity

- Bulls made a roaring comeback after an eight session hiatus as benchmark indices surged to new life-time highs after sentiments were boosted by better than forecast monsoon rains
- The Sensex surged 314 points or 1.05% to 30248 while the Nifty climbed to 9400 for the first time ever to close at 9407 up 90 points or 0.97%
- Broader markets also posted gains, a tad lower than the benchmark as the BSE midcap and small cap indices rose 0.87% and 0.75%, respectively. As a result, overall market breadth was positive with an A/D ratio of 1.32:1 on the BSE

Commodities Market

- Crude oil prices gained sharply as a fall in US inventory along with Opec plans to extend curbs provided support to prices. US weekly stocks fell by 5.25 million bl, a fifth weekly inventory decline
- Gold further saw some minor profit booking due to easing risk aversion. We expect gold to remain in a consolidation mode ahead of key central bank meetings while a possible US interest rate hike remains in focus

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee May contract on the NSE ended at 64.78. The May contract open interest declined 9.35% from the previous day
- June contract open interest increased 6.26% in the last session
- We expect the US\$ to meet resistance at higher levels. Utilise upsides in the pair to go short on the US\$INR pair

Intra-day strategy

US\$INR May futures contract (NSE)

Sell US\$INR in the range of 64.70 - 64.80
Target: 64.45/ 64.35
Support
S1/ S2: 64.60 / 64.40

View: Bearish on US\$INR

Market Lot: US\$1000
Stop Loss: 64.90
Resistance
R1/R2: 64.85 /64.95

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	3364.40	3945.70	-93.47
Debt	1203.77	163.73	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 (May)	64.68	64.50	64.19	64.99	65.17
US\$ - INR (Jun)	64.99	64.86	64.66	65.20	65.33
EUR - INR (May)	70.69	70.61	70.52	70.78	70.86
EUR - INR (Jun)	71.04	70.92	70.77	71.19	71.31
GBP - INR (May)	83.79	83.69	83.56	83.93	84.03
GBP - INR (Jun)	84.17	84.06	83.92	84.31	84.42
JPY - INR (May)	57.05	56.93	56.84	57.15	57.27
JPY - INR (Jun)	57.34	57.22	57.13	57.43	57.55

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
9-May-17	May	Buy	Buy Future	64.55	64.80	64.30	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 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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