

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.94	6.94
US 10 year	2.39	2.41
Eur 10 year	0.43	0.42
UK 10 year	1.16	1.17
JPY 10 year	0.05	0.04

RBI reference rate

	Close 11-05-2017	09-05-2017	% change
USD/INR	64.44	64.51	-0.11
EUR/INR	70.15	70.47	-0.45
GBP/INR	83.42	83.53	-0.14
YEN/INR	56.48	56.90	-0.74

Spot

Spot	Close	Prev close	% change
Rupee	64.38	64.63	-0.38
Dollar index	99.62	99.67	-0.05
Euro	1.0861	1.0868	-0.06
British pound	1.2886	1.2938	-0.40
Japanese Yen	113.86	114.28	-0.37
Australian (\$)	0.7379	0.7367	0.16
Swiss Franc	1.0078	1.0089	-0.11

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	Vol
May	64.51	-0.42	1181147	899249	-5.07	-12.87
Jun	64.78	-0.40	460786	123977	-1.95	-21.16
May-Jun	-0.27	-	-	775272	-	86.21
Jun-Jul	-0.25	-	-	117108	-	94.46

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20919.42	20943.11	-0.11
Nasdaq	5674.218	5681.68	-0.13
FTSE	7386.63	7385.24	0.02
DAX	12711.06	12757.46	-0.36
Hang Sang	25143.84	25125.55	0.07
Nikkei	19851.13	19961.55	-0.55
SGX Nifty	9440.5	9439.5	0.01

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1225.04	1219.1	0.49
Copper	250.1	248.7	0.56
Brent crude	50.77	50.22	1.10

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds ended little changed, as investors awaited the auction of a new 10-year paper amid lack of major domestic cues
- The benchmark 6.97% 2026 bond yield was unchanged at 6.94%
- Yield on US 10-year declined to 2.39% from 2.41% in the previous session

Forex (US\$/INR)

- The rupee posted its biggest single-session gain in four weeks against the US\$, as normal monsoon forecast by Indian Meteorological Department (IMD) lifted sentiments
- Major currencies traded on a mixed note yesterday. The British pound fell post BoE's monetary policy meeting. BoE's stance on policy over Brexit being dependent on further policy action weighed on pound. Japanese Yen posted gains against US\$ due to a dent to risk sentiment

Equity

- Benchmark indices on domestic bourses ended at record highs for a second consecutive session despite marginal profit booking in recently run up heavyweights. Soft European cues also capped gains
- The Sensex ended almost flattish at 30251, up just 3 points while the Nifty gained 15 points or 0.16% to settle at 9422
- Broader markets ended in tandem with benchmarks as many recently run up midcap and small cap stocks were subject to profit booking. As a result, the market breadth remained negative through the session. The BSE midcap and small cap indices ended almost unchanged while A/D ratio on BSE was 1:1.3

Commodities Market

- Crude oil extended gains as a faster than anticipated decline in US stocks and Opec deliberations over extending supply curbs provided support to oil prices at lower levels
- Gold got a mild boost due to uncertainty over US political establishment. Sacking of the FBI director raised concerns among investors over the government's economic agenda supporting safe haven buying

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee May contract on the NSE ended at 64.51. The May contract open interest declined 5.07% from the previous day
- June contract open interest declined 1.95% 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)	View: Bearish on US\$/INR
Sell US\$/INR in the range of 64.70 - 64.80	Market Lot: US\$1000
Target: 64.45/ 64.35	Stop Loss: 64.90
Support	Resistance
S1/ S2: 64.60 / 64.40	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	9717.64	8357.52	-93.47
Debt	678.91	562.70	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)	64.57	64.42	64.33	64.66	64.81
US\$ - INR (Jun)	64.83	64.68	64.59	64.92	65.07
EUR - INR (May)	70.27	70.09	69.98	70.37	70.56
EUR - INR (Jun)	70.65	70.48	70.37	70.75	70.92
GBP - INR (May)	83.38	82.96	82.71	83.63	84.05
GBP - INR (Jun)	83.77	83.37	83.12	84.02	84.42
JPY - INR (May)	56.64	56.50	56.38	56.76	56.90
JPY - INR (Jun)	56.95	56.80	56.67	57.08	57.23

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
	USD/INR							
11-May-17	May	Sell	Sell future	64.75	64.40	64.90	100	Exit in profit

(*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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