

**Treasury yields**

	Closing yield%	Previous yield %
India 10 year	6.50	6.53
US 10 year	2.20	2.19
Eur 10 year	0.26	0.26
UK 10 year	1.01	1.03
JPY 10 year	0.06	0.07

**RBI reference rate**

	Close		% change
	09-06-2017	08-06-2017	
USD/INR	64.26	64.36	-0.15
EUR/INR	71.98	72.51	-0.73
GBP/INR	81.75	83.43	-2.01
YEN/INR	58.31	58.76	-0.77

**Spot**

Spot	Close	Prev close	% change
Rupee	64.25	64.21	0.07
Dollar index	97.27	96.92	0.37
Euro	1.1195	1.1214	-0.17
British pound	1.2746	1.2956	-1.62
Japanese Yen	110.32	110.02	0.27
Australian (\$)	0.7527	0.7547	-0.27
Swiss Franc	0.9694	0.9672	0.23

**Currency futures (US\$/₹, NSE)**

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
June	64.40	0.06	892755	951497	-13.54	72.41
July	64.65	0.08	482871	85777	0.23	5.96
June-July	-0.25	-	-	865720	-	90.99
July-August	-0.25	-	-	80958	-	94.38

**Global Indices**

Indices	Close	Prev close	% change
Dow Jones	21271.97	21182.53	0.42
Nasdaq	5741.944	5885.296	-2.44
FTSE	7527.33	7449.98	1.04
DAX	12815.72	12713.58	0.80
Hang Sang	25873.06	26030.29	-0.60
Nikkei	19946.37	20013.26	-0.33
SGX Nifty	9632.5	9682	-0.51

\* Asian market as at 08.00 am

**Commodities**

	Close	Prev close	% change
Gold	1266.76	1278.01	-0.88
Copper	264.95	260.95	1.53
Brent crude	48.15	47.86	0.61

Source: Reuters, Bloomberg, CdsI for above all exhibits

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**Debt market**

- Government bond yields fell last week, with the benchmark yield posting its biggest weekly fall in nine weeks, as investors eyed a near-term rate cut after RBI's Monetary Policy Committee lowered inflation projection for the year
- The benchmark 6.97% 2026 bond yield declined to 6.50% from 6.53% in the previous session
- Yield on the US 10-year rose to 2.20% from 2.19% in the previous session

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

- The rupee fell for the first time in three days against the US\$, as market participants remained cautious ahead of US Fed FOMC monetary meeting this week
- The US\$ recovered some of its losses against major currencies as the pound fell post UK election verdict. The British pound fell over 1.60% as the Conservative party lost majority though turning out to be biggest party in this general election. Upcoming US Fed FOMC meeting is expected to provide cues on the interest rate hike trajectory in near term

**Equity**

- Equity benchmarks recovered from early losses to settle marginally higher in yet another range bound trading session on Friday despite uncertainty over UK election results that indicated a possibility of a hung Parliament
- The Sensex rose 48 points 0.16% to 31262 while the Nifty added just 21 points or 0.22% to 9668 levels
- The broader markets relatively outperformed the frontline indices as the BSE midcap and small cap indices rose 0.28% and 0.50%, respectively. However the overall market breadth remained flat

**Commodities Market**

- Crude oil fell gained slightly on Friday due to support at lower levels and bullish comments from Saudi Arabia oil minister. However US operating oil rigs rose for the twenty-first straight week
- Gold prices witnessed profit booking post UK general election verdict. Conservatives remained the largest party but lost their majority in polls. Also non-interest paying assets may remain on the edge ahead of the FOMC meeting

**Strategy**

- In the currency futures market, the most traded dollar-rupee June contract on the NSE ended at 64.40. The June contract open interest declined 13.54% from the previous day
- July contract open interest increased 0.23% 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 64.48 - 64.58	Market Lot: US\$1000
Target: 64.25 / 64.15	Stop Loss: 64.68
Support	Resistance
S1/ S2: 64.35 / 64.15	R1/R2: 64.50 / 64.70

Source: Company, ICICIdirect.com Research

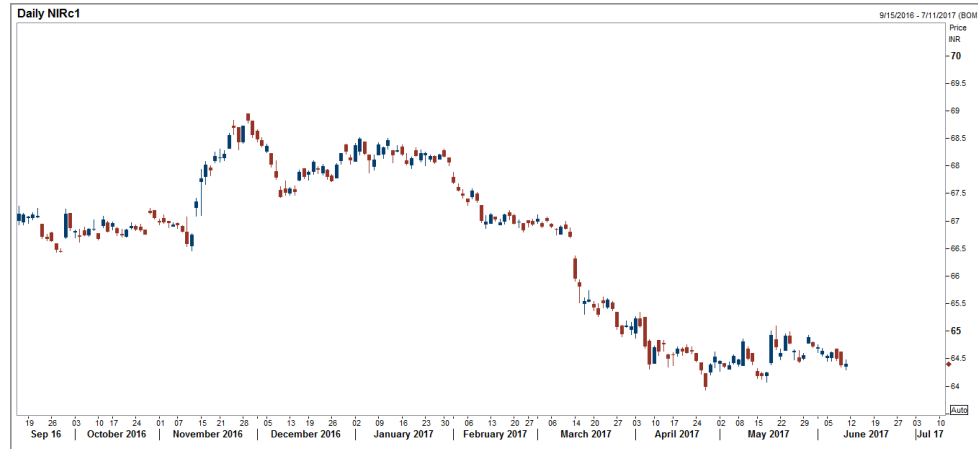
\*Call initiation and update messages will be broadcast on iclick-2-gain"

### FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹ crore)
Equity	5906.79	3834.14	-93.47
Debt	4609.71	1273.07	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)	64.39	64.31	64.21	64.49	64.57
US\$ - INR (July)	64.65	64.57	64.49	64.73	64.81
EUR - INR (June)	72.14	71.99	71.89	72.24	72.39
EUR - INR (July)	72.53	72.38	72.30	72.61	72.76
GBP - INR (June)	82.05	81.71	81.15	82.61	82.95
GBP - INR (July)	82.47	82.08	81.51	83.04	83.44
JPY - INR (June)	58.43	58.33	58.25	58.51	58.61
JPY - INR (July)	58.73	58.63	58.56	58.80	58.90

Source: NSE, ICICIdirect.com Research

### Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
9-Jun-17	June	Sell	Sell future	64.58	64.25	64.73	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



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