

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.90	6.86
US 10 year	2.63	2.57
Eur 10 year	0.47	0.49
UK 10 year	1.25	1.23
JPY 10 year	0.09	0.09

RBI reference rate

	Close		% change
	10-03-2017	09-03-2017	
USD/INR	66.69	66.77	-0.12
EUR/INR	70.64	70.32	0.45
GBP/INR	81.05	81.17	-0.14
YEN/INR	57.79	58.33	-0.93

Spot

Spot	Close	Prev close	% change
Rupee	66.61	66.72	-0.16
Dollar index	101.31	101.25	0.06
Euro	1.0653	1.0673	-0.19
British pound	1.2219	1.2167	0.43
Japanese Yen	114.88	114.79	0.08
Australian (\$)	0.7571	0.7542	0.38
Swiss Franc	1.0072	1.0109	-0.37

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
March	66.73	-0.21	1485241	595017	0.50	-25.09
April	66.98	-0.21	522264	58690	3.77	-22.06
March-April	-0.25	-	-	536327	-	90.14
April-May	-0.28	-	-	50080	-	85.33

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20881.48	20902.98	-0.10
Nasdaq	5394.573	5385.899	0.16
FTSE	7367.08	7343.08	0.33
DAX	11990.03	11963.18	0.22
Hang Sang	23801.6	23829.67	-0.12
Nikkei	19616.43	19633.75	-0.09
SGX Nifty	9200	9196	0.04

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1204.3	1204.64	-0.03
Copper	261.65	258.65	1.16
Brent crude	51.35	51.37	-0.04

Source: Reuters, Bloomberg, Cdsl for above all exhibits

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Debt market

- Government bond yields recorded their biggest weekly rise in four weeks, on concerns about a possible Federal Reserve rate hike this week amid broad economic strength and gains in US treasury yields
- The benchmark 6.97% 2026 bond yield rose slightly to 6.90% from 6.86% in previous session
- Yield on the US 10-year further rose to 2.63% from 2.57% in the previous day

Forex (US\$/INR)

- The rupee rose to a four-month high against the US currency, as higher US dollar sales by banks outweighed broad strength in the Dollar index on hopes of a Federal Reserve rate hike this week
- The US dollar pared gains from the recent highs post US February employment data even on higher-than-expected payrolls data. US February non farm payrolls data was at 235000 payrolls beating the estimates. However, hourly wage growth data was slightly a drag at 0.2%. US FOMC interest rate announcement would further set cues in forex markets

Equity

- Equity benchmarks gave up early gains and slipped into the negative territory before recovering to end on a flat note on Friday as investors stayed cautious ahead of assembly election results
- The Sensex settled at 28946, up 17 points or 0.06% while the Nifty shut shop at 8934, up just 7 points or 0.08%
- Broader markets underperformed benchmarks as the BSE midcap and small cap indices settled marginally lower by 0.25% and 0.12%, respectively. As a result, the overall market breadth was negative with an A/D ratio of 1:1.42

Commodities Market

- Crude oil prices fell after consolidating in the higher range as rising US oil supplies weighed on Opec's and Russia's efforts to support prices by effecting supply limits. Also, the recent surge in US dollar weighed on risk commodities
- Gold continued to remain under pressure ahead of US FOMC meet scheduled today. Gold has already witnessed profit booking on account of interest rate hike expectation. Pace of further hikes remain catalyst for trends in non-interest paying asset

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee March contract on the NSE ended at 66.73. The March contract open interest rose 0.50 from the previous day
- April contract open interest rose 3.77% from the previous day
- We expect the US dollar 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 March futures contract (NSE)	View: Bearish on US\$INR
Sell US\$INR in the range of 66.55 - 66.65	Market Lot: US\$1000
Target: 66.30 / 66.20	Stop Loss: 66.75
Support	Resistance
S1/ S2: 66.30 / 66.10	R1/R2: 66.60 / 66.80

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	5792.62	3855.46	1937.16
Debt	755.56	652.67	102.89

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 (Mar)	66.77	66.65	66.58	66.84	66.95
US\$ - INR (Apr)	67.01	66.92	66.86	67.08	67.17
EUR - INR (Mar)	70.88	70.79	70.71	70.96	71.06
EUR - INR (Apr)	71.24	71.15	71.08	71.31	71.40
GBP - INR (Mar)	81.27	81.12	81.03	81.36	81.51
GBP - INR (Apr)	81.67	81.53	81.45	81.75	81.88
JPY - INR (Mar)	57.96	57.79	57.69	58.06	58.23
JPY - INR (Apr)	58.29	58.09	57.98	58.40	58.60

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
10-Mar-17	March USD/INR	Sell	Sell future	66.95	67.10	66.70	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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