

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.49	6.52
US 10 year	2.21	2.21
Eur 10 year	0.27	0.25
UK 10 year	1.03	0.97
JPY 10 year	0.06	0.06

RBI reference rate

	Close		% change
	13-06-2017	12-06-2017	
USD/INR	64.45	64.34	0.16
EUR/INR	72.15	72.13	0.02
GBP/INR	81.74	82.09	-0.42
YEN/INR	58.59	58.36	0.39

Spot

Spot	Close	Prev close	% change
Rupee	64.34	64.44	-0.16
Dollar index	96.98	97.14	-0.17
Euro	1.1211	1.1203	0.07
British pound	1.2754	1.2659	0.75
Japanese Yen	110.07	109.95	0.11
Australian (\$)	0.7537	0.7541	-0.05
Swiss Franc	0.9689	0.9688	0.01

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
June	64.48	-0.15	891991	585299	-0.76	-4.04
July	64.72	-0.19	502284	82599	0.89	3.69
June-July	-0.24	-	-	502700	-	85.89
July-August	-0.25	-	-	77593	-	93.94

Global Indices

Indices	Close	Prev close	% change
Dow Jones	21328.47	21235.67	0.44
Nasdaq	5751.817	5708.18	0.76
FTSE	7500.44	7511.87	-0.15
DAX	12764.98	12690.44	0.59
Hang Sang	25742.74	25852.1	-0.42
Nikkei	19907.51	19898.75	0.04
SGX Nifty	9609.5	9615	-0.06

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1266.55	1266.18	0.03
Copper	259.65	261.55	-0.73
Brent crude	48.72	48.29	0.89

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds jumped, after the consumer price index-based inflation eased to a record low, increasing expectations of an interest rate cut as early as August
- The benchmark 6.97% 2026 bond yield fell to 6.49% from 6.52% in the previous session
- Yield on the US 10-year was steady at 2.21% in the previous session

Forex (US\$/INR)

- The rupee rose for the first time in three sessions against the US\$, as a fall in May retail inflation supported gains in the rupee on expectations of improving macro fundamentals
- The US\$ remained defensive ahead of the US FOMC meeting today. The Fed is widely expected to raise benchmark rates by a quarter percentage point. Traders await Fed's economic outlook assessment for cues on the pace and quantum of further rate hikes in the near term. US\$JPY could rally sharply if fed remains hawkish in today's meeting

Equity

- Equity benchmarks pared intraday gains to end on a flat note in a choppy trading session on Tuesday weighed down by profit booking in key heavyweights ahead of the US Fed meet
- The Sensex settled at 31103, up 7 points while the Nifty shut shop at 9606, down just 9 points
- Broader markets were relatively better off as the BSE midcap index ended marginally in the green while the small cap index was up 0.41%. Overall market breadth was neutral highlighting the range bound market

Commodities Market

- Crude oil rose mildly ahead of US government inventory data. Industry data API showed crude oil inventories rose by 2.75 mb while government stocks is expected to show a decline of 2.45 mb
- Gold prices remained in a narrow range ahead of US Fed interest rate decision today. Although widely expected to raise rates by 25 bps, traders await the Fed's economic outlook assessment

Strategy

- In the currency futures market, the most traded dollar-rupee June contract on the NSE ended at 64.48. The June contract open interest declined 0.76% from the previous day
- July contract open interest increased 0.89% 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 64.50 - 64.60	Market Lot: US\$1000
Target: 64.25 / 64.15	Stop Loss: 64.70
Support	Resistance
S1/ S2: 64.35 / 64.15	R1/R2: 64.60 / 64.80

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	3517.45	3522.11	-93.47
Debt	684.04	587.17	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)	64.52	64.42	64.37	64.57	64.67
US\$ - INR (July)	64.77	64.67	64.61	64.82	64.92
EUR - INR (June)	72.37	72.24	72.15	72.46	72.59
EUR - INR (July)	72.74	72.62	72.53	72.83	72.95
GBP - INR (June)	82.01	81.82	81.51	82.33	82.52
GBP - INR (July)	82.37	82.18	81.85	82.70	82.90
JPY - INR (June)	58.66	58.52	58.42	58.76	58.90
JPY - INR (July)	58.96	58.82	58.72	59.06	59.20

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
13-Jun-17	June	Sell	Sell future	64.59	64.35	64.75	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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