

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.90	6.90
US 10 year	2.60	2.63
Eur 10 year	0.45	0.47
UK 10 year	1.22	1.25
JPY 10 year	0.10	0.09

RBI reference rate

	Close		% change
	14-03-2017	10-03-2017	
USD/INR	66.18	66.69	-0.76
EUR/INR	70.44	70.64	-0.29
GBP/INR	80.50	81.05	-0.68
YEN/INR	57.57	57.79	-0.38

Spot

Spot	Close	Prev close	% change
Rupee	65.82	66.61	-1.18
Dollar index	101.70	101.31	0.38
Euro	1.0604	1.0653	-0.46
British pound	1.2153	1.2219	-0.54
Japanese Yen	114.75	114.88	-0.11
Australian (\$)	0.7559	0.7571	-0.16
Swiss Franc	1.0102	1.0072	0.30

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
March	65.96	-1.15	1495658	1480777	0.70	148.86
April	66.19	-1.18	571525	231920	9.43	295.16
March-April	-0.23	-	-	1248857	-	84.34
April-May	-0.33	-	-	195211	-	84.17

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20837.37	20881.48	-0.21
Nasdaq	5382.167	5394.573	-0.23
FTSE	7357.85	7367.08	-0.13
DAX	11988.79	11990.03	-0.01
Hang Sang	23723.73	23827.95	-0.44
Nikkei	19547.84	19609.5	-0.31
SGX Nifty	9121	9101	0.22

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1199.12	1204.3	-0.43
Copper	262.4	261.65	0.29
Brent crude	50.92	51.35	-0.84

Source: Reuters, Bloomberg, Cdsl for above all exhibits

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Debt market

- Government bonds ended little changed, as investors deferred purchases ahead of retail sales data and US FOMC interest rate announcement due today. Domestic February retail inflation rose to 3.65% from 3.17% previously
- The benchmark 6.97% 2026 bond yield remain unchanged at 6.90%
- Yield on the US 10-year further fell to 2.60% from 2.63% in the previous day on account of consolidation ahead of monetary meeting today

Forex (US\$/INR)

- The rupee marked its biggest single-day gain in almost 18 months against the dollar, amid hopes of reforms on the back of a favourable and decisive political mandate in key states. Also, dollar selling by exporters during the end of session further strengthened the rupee
- The US dollar gained against major currencies ahead of US FOMC interest rate announcement today. Market participants expect signals for four rate hikes in 2017 on account of the recent uptick seen in employment data and relative stable global financial markets

Equity

- Equity benchmarks cheered the party ruling the central government's resounding victory in key states of Uttar Pradesh and Uttarakhand and surged nearly 1% on Tuesday led by broad based rally
- The Sensex surged 496 points or 1.71% to 29442 while the Nifty surpassed its previous all-time peak of 9119 to form a new life-time high of 9122 before ending off the high point at 9087, up 152 points or 1.71%
- Broader markets also rose in line with benchmarks as the BSE midcap and small cap indices gained 1.43% and 1.19%, respectively. The overall market breadth was strong with an A/D ratio of 1.5:1 on the BSE

Commodities Market

- Crude oil prices fell further even though American Petroleum Institute (API) data shows US oil stocks will fall this week. However, government data survey shows oil stocks rising for this week also. Saudi Arabia has also slightly increased its daily oil supplies taking the count over 10 mbpd
- Gold fell further as traders await FOMC interest rate announcement due today. Market participants are looking at signals from the Fed for four rate hikes. A hawkish tone could see further profit booking in gold

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee March contract on the NSE ended at 65.96. The March contract open interest rose 0.70 from the previous day
- April contract open interest rose 9.43% 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 66.05 - 66.10	Market Lot: US\$1000
Target: 65.85 / 65.75	Stop Loss: 66.25
Support	Resistance
S1/ S2: 65.80 / 65.60	R1/R2:66.00 / 66.20

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	4717.37	4373.39	343.98
Debt	1056.00	718.76	337.24

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)	66.08	65.80	65.63	66.25	66.53
US\$ - INR (Apr)	66.43	65.96	65.69	66.69	67.16
EUR - INR (Mar)	70.39	69.98	69.72	70.64	71.05
EUR - INR (Apr)	70.75	70.36	70.12	70.99	71.39
GBP - INR (Mar)	80.42	79.75	79.38	80.79	81.46
GBP - INR (Apr)	80.82	80.14	79.77	81.19	81.87
JPY - INR (Mar)	57.55	57.25	57.07	57.74	58.04
JPY - INR (Apr)	57.88	57.58	57.41	58.05	58.35

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
14-Mar-17	March USD/INR	Sell	Sell future	66.60	66.20	66.75	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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