

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.91	6.94
US 10 year	2.33	2.39
Eur 10 year	0.39	0.43
UK 10 year	1.09	1.16
JPY 10 year	0.05	0.05

RBI reference rate

	Close		% change
	12-05-2017	11-05-2017	
USD/INR	64.30	64.44	-0.21
EUR/INR	69.89	70.15	-0.37
GBP/INR	82.87	83.42	-0.65
YEN/INR	56.56	56.48	0.14

Spot

Spot	Close	Prev close	% change
Rupee	64.31	64.38	-0.10
Dollar index	99.25	99.62	-0.37
Euro	1.0931	1.0861	0.64
British pound	1.289	1.2886	0.03
Japanese Yen	113.38	113.86	-0.42
Australian (\$)	0.7387	0.7379	0.11
Swiss Franc	1.0009	1.0078	-0.68

Currency futures (US\$/₹, NSE)

Contracts	LTP	chng (%)	OI	Vol	chng (%)	
					OI	Vol
May	64.44	-0.11	1182041	583979	0.08	-35.06
Jun	64.68	-0.15	477676	84158	3.67	-32.12
May-Jun	-0.24	-	-	499821	-	85.59
Jun-Jul	-0.25	-	-	81593	-	96.95

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20896.61	20919.42	-0.11
Nasdaq	5686.81	5674.218	0.22
FTSE	7435.39	7386.63	0.66
DAX	12770.41	12711.06	0.47
Hang Sang	25276.72	25156.34	0.48
Nikkei	19837	19883.9	-0.24
SGX Nifty	9445.5	9418	0.29

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1228.43	1225.04	0.28
Copper	251.8	250.1	0.68
Brent crude	50.84	50.77	0.14

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds rose after pricing of a new 10-year paper came in line with estimates, ahead of April CPI inflation
- The benchmark 6.97% 2026 bond yield declined to 6.91% from 6.94% in previous session
- Yield on the US 10-year declined to 2.33% from 2.39% in the previous session

Forex (US\$/INR)

- The rupee rose for a second day against the US\$, supported by expectations of sustained foreign fund inflows into the domestic markets
- Major currencies posted a recovery against the US\$, which came under profit booking after inflation data. US core CPI fell further to 1.90% in April from previously 2%. Euro posted a sharp recovery while the British pound remained in a range as BoE's dovish assessment weighs on any sharp gains. We expect the euro to gain further over the US\$ on recent pro-Euro political development in France

Equity

- Equity benchmarks snapped a four day winning streak and settled lower on Friday amid profit booking in recently run-up heavyweights
- The Sensex eased 62 points or 0.21% to 30188 while the Nifty shed 21 points or 0.23% to settle at 9400
- The broader markets witnessed steeper profit booking round as the BSE midcap and small cap indices fell 0.69% and 0.80%, respectively. As a result, the overall market breadth was negative with an A/D ratio of 1:1.78 on the BSE

Commodities Market

- Crude oil rose mildly as a fall in US oil stocks coupled with soft US\$ supported oil prices at lower levels. Also, Opec deliberations over extending oil supply curbs beyond H2 2017 supported bullish sentiment
- Gold rose on Friday supported by a decline in US\$ and yields supporting risk assets as well as precious metals. Fall in US CPI aided a rise in other assets as lower-than-expected economic data could weigh on US interest rate hike sentiment

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee May contract on the NSE ended at 64.44. The May contract open interest rose 0.08% from the previous day
- June contract open interest rose 3.67% 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 64.55 - 64.65	Market Lot: US\$1000
Target: 64.25/ 64.15	Stop Loss: 64.75
Support	Resistance
S1/ S2: 64.40 / 64.20	R1/R2: 64.65 / 64.85

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	5112.04	3677.16	-93.47
Debt	1273.18	482.26	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)	64.48	64.36	64.26	64.57	64.69
US\$ - INR (Jun)	64.70	64.65	64.59	64.76	64.82
EUR - INR (May)	70.13	70.06	69.96	70.23	70.29
EUR - INR (Jun)	70.50	70.45	70.36	70.59	70.65
GBP - INR (May)	82.97	82.77	82.64	83.10	83.30
GBP - INR (Jun)	83.37	83.18	83.05	83.49	83.68
JPY - INR (May)	56.70	56.60	56.52	56.77	56.87
JPY - INR (Jun)	56.98	56.89	56.81	57.06	57.16

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

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