

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.83	6.90
US 10 year	2.49	2.60
Eur 10 year	0.42	0.45
UK 10 year	1.21	1.22
JPY 10 year	0.10	0.10

RBI reference rate

	Close		% change
	15-03-2017	14-03-2017	
USD/INR	65.51	66.18	-1.01
EUR/INR	69.62	70.44	-1.15
GBP/INR	80.07	80.50	-0.54
YEN/INR	57.08	57.57	-0.85

Spot

Spot	Close	Prev close	% change
Rupee	65.70	65.82	-0.19
Dollar index	100.74	101.70	-0.94
Euro	1.0734	1.0604	1.23
British pound	1.2291	1.2153	1.14
Japanese Yen	113.38	114.75	-1.19
Australian (\$)	0.7709	0.7559	1.98
Swiss Franc	1.0002	1.0102	-0.99

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
March	65.80	-0.24	1485236	1766372	-0.69	19.29
April	66.05	-0.26	700163	396441	22.51	70.94
March-April	-0.25	-	-	1369931	-	77.56
April-May	-0.27	-	-	353645	-	89.20

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20950.1	20837.37	0.54
Nasdaq	5416.252	5382.167	0.63
FTSE	7368.64	7357.85	0.15
DAX	12009.87	11988.79	0.18
Hang Sang	24045.78	23792.85	1.06
Nikkei	19541.3	19577.38	-0.18
SGX Nifty	9181.5	9109.5	0.79

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1219.88	1199.12	1.73
Copper	264.55	262.4	0.82
Brent crude	51.81	50.92	1.75

Source: Reuters, Bloomberg, Cdsl for above all exhibits

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Debt market

- Government bonds rose, as an unexpected decline in core retail inflation and gains in the rupee boosted investors' appetite
- The benchmark 6.97% 2026 bond yield fell to 6.83% from 6.90% in previous day helped by easing core inflation
- Yield on the US 10-year further fell sharply to 2.49% from 2.60% in the previous day on account of dovish fed statements

Forex (US\$/INR)

- The rupee rose to a more-than-16-month high against the US\$ but pared its intraday gains as investors stayed cautious ahead of the US Federal Reserve's interest rate decision. The rupee will remain supported as the Fed signalled it is on course for three-hikes in 2017 against market expectations of four hikes before the event
- The US dollar fell against major currencies as the Fed toned down the expectations of four rate hikes in 2017. The dollar index fell almost 1% while the Australian\$ was the biggest gainer as a rise in commodity prices also help AU\$

Equity

- Equity benchmarks ended marginally lower or flattish on Wednesday ahead of the US Federal Reserve's rate decision
- The Sensex ended 44 points or 0.15% lower at 29398 while the Nifty settled just 2 points lower for the day
- Broader markets continued to outperform as the BSE midcap and small cap indices gained 1.06% and 0.66%, respectively. As a result, the overall market breadth was marginally in favour of advances with A/D ratio of 1:1 on the BSE

Commodities Market

- Crude oil prices rose slightly as weaker US\$ helped risk commodities gain. US crude inventories fell by 237000 barrels, a first drop after almost nine weeks of expansion in stocks
- Gold prices gained sharply post US fed FOMC meeting. Although the Fed raised interest rates by 0.25%, Fed's dovish tone over further rate hike prospects in 2017 helped non-interest paying asset recoup its losses incurred in previous few sessions

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee March contract on the NSE ended at 65.80. The March contract open interest fell 0.69% from the previous day
- April contract open interest rose 22.51% 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 65.70 - 65.80	Market Lot: US\$1000
Target: 65.55 / 65.45	Stop Loss: 66.90
Support	Resistance
S1/ S2: 65.50 / 65.40	R1/R2: 65.80 / 65.90

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	10237.09	5927.60	4309.49
Debt	1144.60	1153.81	-9.21

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)	65.76	65.57	65.33	66.00	66.18
US\$ - INR (Apr)	65.99	65.83	65.60	66.22	66.38
EUR - INR (Mar)	69.91	69.72	69.43	70.20	70.38
EUR - INR (Apr)	70.27	70.10	69.82	70.55	70.71
GBP - INR (Mar)	80.21	79.88	79.42	80.67	81.00
GBP - INR (Apr)	80.59	80.25	79.79	81.04	81.39
JPY - INR (Mar)	57.38	57.25	57.00	57.63	57.76
JPY - INR (Apr)	57.72	57.59	57.34	57.96	58.10

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
15-Mar-17	March USD/INR	Sell	Sell future	66.10	65.70	66.25	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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