

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.81	6.91
US 10 year	2.34	2.33
Eur 10 year	0.42	0.39
UK 10 year	1.14	1.09
JPY 10 year	0.04	0.05

RBI reference rate

	Close		% change
	15-05-2017	12-05-2017	
USD/INR	64.12	64.30	-0.29
EUR/INR	70.13	69.89	0.35
GBP/INR	82.84	82.87	-0.04
YEN/INR	56.48	56.56	-0.14

Spot

Spot	Close	Prev close	% change
Rupee	64.06	64.31	-0.39
Dollar index	98.91	99.25	-0.34
Euro	1.0975	1.0931	0.40
British pound	1.2896	1.289	0.05
Japanese Yen	113.79	113.38	0.36
Australian (\$)	0.7413	0.7387	0.35
Swiss Franc	0.9966	1.0009	-0.43

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
May	64.18	-0.40	1197297	725708	1.29	24.27
Jun	64.43	-0.39	569299	228953	19.18	172.05
May-Jun	-0.25	-	-	496755	-	68.45
Jun-Jul	-0.27	-	-	183288	-	80.05

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20981.94	20896.61	0.41
Nasdaq	5704.479	5686.81	0.31
FTSE	7454.37	7435.39	0.26
DAX	12807.04	12770.41	0.29
Hang Sang	25280.3	25371.59	-0.36
Nikkei	19876.27	19869.85	0.03
SGX Nifty	9465.5	9461.5	0.04

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1230.82	1228.43	0.19
Copper	253.3	251.8	0.60
Brent crude	51.82	50.84	1.93

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds rose for a second session, on receding fears of a rate hike after retail inflation growth in April at 2.99% was at least at a five-year low
- The benchmark 6.97% 2026 bond yield declined to 6.81% from 6.91% in the previous session due to increased hopes of rate cut
- Yield on the US 10-year rose to 2.34% from 2.33% in the previous session

Forex (US\$/INR)

- The rupee rose to a more-than-21-month high against the US\$, as weaker-than-expected US economic data and strong domestic equities increased hopes of foreign fund inflows
- US\$ declined against major currencies due to weak US CPI data. However, it continued to gain over Japanese Yen due to easing risk aversion. We expect the euro to gain against US\$ as well as British pound due to positive pro-Euro political development

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 posting decent gains of close to 2% on news of Russia and Saudi Arabia contemplating supply curbs till Q1 2018. News of other Opec members joining would be positive for oil prices as it would help contain the global supply glut
- Gold rose in yesterday's trade as the US\$ remained weak post US core CPI data. Also, news of the US President sharing classified information with a Russian minister raised geo-political risks supporting safe haven buying in gold

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee May contract on the NSE ended at 64.18. The May contract open interest rose 1.29% from the previous day
- June contract open interest rose 19.18% 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 64.35 - 64.45	Market Lot: US\$1000
Target: 64.25/ 64.15	Stop Loss: 64.55
Support	Resistance
S1/ S2: 64.00 / 63.80	R1/R2: 64.40 / 64.60

Source: Company, ICICIdirect.com Research

*Call initiation and update messages will be broadcast on iclick-2-gain"

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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