

**Treasury yields**

	Closing yield%	Previous yield %
India 10 year	6.84	6.83
US 10 year	2.54	2.49
Eur 10 year	0.45	0.42
UK 10 year	1.25	1.21
JPY 10 year	0.08	0.10

**RBI reference rate**

	Close		% change
	16-03-2017	15-03-2017	
USD/INR	65.38	65.51	-0.20
EUR/INR	70.19	69.62	0.81
GBP/INR	80.26	80.07	0.25
YEN/INR	57.73	57.08	1.14

**Spot**

Spot	Close	Prev close	% change
Rupee	65.41	65.70	-0.43
Dollar index	100.36	100.74	-0.38
Euro	1.0766	1.0734	0.30
British pound	1.236	1.2291	0.56
Japanese Yen	113.31	113.38	-0.06
Australian (\$)	0.7678	0.7709	-0.40
Swiss Franc	0.9965	1.0002	-0.37

**Currency futures (US\$/₹, NSE)**

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
March	65.52	-0.43	1440619	1465402	-3.00	-17.04
April	65.81	-0.36	786460	325355	12.33	-17.93
March-April	-0.29	-	-	1140047	-	77.80
April-May	-0.22	-	-	284927	-	87.57

**Global Indices**

Indices	Close	Prev close	% change
Dow Jones	20934.55	20950.1	-0.07
Nasdaq	5412.08	5416.252	-0.08
FTSE	7415.95	7368.64	0.64
DAX	12083.18	12009.87	0.61
Hang Sang	24347.99	24288.28	0.25
Nikkei	19523.47	19590.14	-0.34
SGX Nifty	9202	9186	0.17

\* Asian market as at 08.00 am

**Commodities**

	Close	Prev close	% change
Gold	1226.61	1219.88	0.55
Copper	266.55	264.55	0.76
Brent crude	51.74	51.81	-0.14

Source: Reuters, Bloomberg, Cdsl for above all exhibits

**Research Analyst**

Amit Gupta  
amit.gup@icicisecurities.com

Gaurav Shah  
gaurav.shah@icicisecurities.com

**Debt market**

- Government bonds ended lower, as investors booked profit triggered by the US Fed's stance of 'gradual' pace of monetary tightening
- The benchmark 6.97% 2026 bond yield rose mildly to 6.84% from 6.83% in the previous day as major central's bank monetary meetings are done for the month
- Yield on the US 10-year further rose to 2.54% from 2.49% in the previous day

**Forex (US\$/INR)**

- The rupee rose to a near-17-month high against the dollar, as investors' risk appetite got a boost after the US Federal Reserve expectedly raised interest rates but did not signal a faster pace of tightening for 2017
- The US dollar continue to slide against major currencies post US Fed event. Pound and Euro posted sharp gains against US\$. Euro benefited from a setback to anti-Euro parties while the pound rallied post BoE monetary meeting

**Equity**

- Equity benchmarks extended the bull run as the Nifty continued its record setting spree on Thursday after dovish commentary from the US Fed eased concerns about further tightening and the rupee gained further ground
- The Sensex gained 188 points or 0.6% to settle at 29585 while the Nifty settled at 9153, up 68 points of 0.76% for the day
- Broader markets continued to outperform as the BSE midcap and small cap indices gained 1.55% and 1.07%, respectively. As a result, the overall market breadth was strong with A/D ratio of 1.7:1 on the BSE

**Commodities Market**

- Crude oil prices are set to end the week on a positive note. The first fall in US stocks in the last 10 weeks supported prices at lower levels. Saudi Arabia has vowed to extend supply cuts originally set to expire in June in case prices remain suppressed on account of a global glut
- Gold continued to gain as the US Fed remained dovish and maintained its gradual hike stance. Also, interest rate hike probability in June has diminished since the culmination of the Fed event

**US\$/INR derivatives strategy**

- In the currency futures market, the most traded dollar-rupee March contract on the NSE ended at 65.52. The March contract open interest fell 3% from the previous day
- April contract open interest rose 12.33% from the previous day
- We expect the US dollar to find supports at lower levels. Utilise downsides in the pair to go long on the US\$/INR pair

**Intra-day strategy**

<b>US\$INR March futures contract (NSE)</b>	<b>View: Bullish on US\$INR</b>
Buy US\$INR in the range of 65.50 - 65.60	Market Lot: US\$1000
Target: 65.75 / 65.85	Stop Loss: 65.40
Support	Resistance
S1/ S2: 65.50 / 65.30	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	6066.88	4648.77	1418.11
Debt	580.32	386.16	194.16

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)	65.48	65.36	65.18	65.66	65.79
US\$ - INR (Apr)	65.73	65.60	65.41	65.92	66.04
EUR - INR (Mar)	70.30	70.18	70.00	70.48	70.59
EUR - INR (Apr)	70.65	70.55	70.37	70.83	70.93
GBP - INR (Mar)	80.38	80.20	80.00	80.58	80.76
GBP - INR (Apr)	80.78	80.54	80.33	81.00	81.24
JPY - INR (Mar)	57.83	57.63	57.43	58.02	58.23
JPY - INR (Apr)	58.16	57.97	57.78	58.35	58.54

Source: NSE, ICICIdirect.com Research

### Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
16-Mar-17	March USD/INR	Sell	Sell future	65.75	65.50	65.90	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



**Pankaj Pandey**

**Head – Research**

**pankaj.pandey@icicisecurities.com**

**ICICIdirect.com Research Desk,  
ICICI Securities Limited,  
1st Floor, Akruiti Trade Centre,  
Road No 7, MIDC  
Andheri (East)  
Mumbai – 400 093  
research@icicidirect.com**

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