

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.68	6.67
US 10 year	2.22	2.33
Eur 10 year	0.38	0.44
UK 10 year	1.07	1.13
JPY 10 year	0.05	0.05

RBI reference rate

	Close		% change
	17-05-2017	16-05-2017	
USD/INR	64.02	64.08	-0.08
EUR/INR	71.16	70.55	0.86
GBP/INR	82.77	82.78	-0.02
YEN/INR	56.99	56.52	0.83

Spot

Spot	Close	Prev close	% change
Rupee	64.16	64.08	0.13
Dollar index	97.58	98.11	-0.54
Euro	1.1159	1.1083	0.69
British pound	1.297	1.2917	0.41
Japanese Yen	110.83	113.12	-2.02
Australian (\$)	0.7432	0.7426	0.08
Swiss Franc	0.9789	0.9859	-0.71

Currency futures (US\$/₹, NSE)

Contracts	LTP	chng (%)	OI	Vol	chng (%)	
					OI	Vol
May	64.25	0.11	1136524	858364	-4.89	23.06
Jun	64.51	0.09	667615	134238	4.70	-32.90
May-Jun	-0.26	-	-	724126	-	84.36
Jun-Jul	-0.27	-	-	108282	-	80.66

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20606.93	20979.75	-1.78
Nasdaq	5580.548	5724.437	-2.51
FTSE	7503.47	7522.03	-0.25
DAX	12631.61	12804.53	-1.35
Hang Sang	25211.83	25293.63	-0.32
Nikkei	19510.4	19814.88	-1.54
SGX Nifty	9478	9534	-0.59

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1261.36	1237.24	1.95
Copper	254.25	254.45	-0.08
Brent crude	52.21	51.65	1.08

Source: Reuters, Bloomberg, CdsI for above all exhibits

Research Analyst

Amit Gupta
amit.gup@icicisecurities.com

Gaurav Shah
gaurav.shah@icicisecurities.com

Debt market

- Government bonds ended little changed, as domestic equity indices continued to consolidate, amid political concerns in the US
- The benchmark 6.97% 2026 bond yield rose mildly to 6.68% from 6.67% in the previous session
- Yield on the US 10-year fell over 10-bps to 2.22% from 2.33% in the previous session

Forex (US\$/INR)

- The rupee edged lower against the US\$, as state-run banks stepped up dollar purchases, erasing gains from broad US\$ weakness caused by soft housing data and political turmoil in the US
- The US dollar declined sharply due to rising political concerns around the US President's alleged sharing of information with a Russian minister. The US\$JPY pair fell sharply over 2% on strong safe haven buying while reflation trades took a hit as market participants viewed the economic agenda while taking a backseat over the recent turn of events

Equity

- Equity benchmarks extended their record setting spree and settled at fresh all-time highs in a range bound trading session on Tuesday
- The Sensex rose 76 points or 0.25% to 30658 while the Nifty was up just 13 points or 0.14% to 9525
- The broader markets underperformed in a choppy trading session as the BSE midcap index ended almost unchanged while the small cap index was down 0.18%. As a result, the overall market breadth was negative with an A/D ratio of 1:1.2 on the BSE

Commodities Market

- Crude oil prices rose slightly on account of sharp losses in US\$. Also, Opec and other members deliberating to extend supply curbs into Q1 2018 is supporting gains in oil prices. US oil stocks fell by 1.75 mb bl as against previously 5.4 mb
- Gold prices zoomed on account of rising political concerns around US President's passing confidential information to Russia. US yield slid sharply lower while strong safe haven buying supported gains in gold

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee May contract on the NSE ended at 64.25. The May contract open interest declined 4.89% from the previous day
- June contract open interest increased by 4.70% 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 64.60 - 64.70	Market Lot: US\$1000
Target: 64.30/ 64.20	Stop Loss: 64.80
Support	Resistance
S1/ S2: 64.40 / 64.20	R1/R2:64.60 /64.80

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	5768.74	4724.55	-93.47
Debt	1236.89	243.14	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)	64.19	64.13	64.02	64.31	64.37
US\$ - INR (Jun)	64.45	64.39	64.27	64.57	64.63
EUR - INR (May)	71.33	71.22	71.07	71.49	71.59
EUR - INR (Jun)	71.69	71.59	71.44	71.84	71.94
GBP - INR (May)	83.19	82.99	82.64	83.54	83.73
GBP - INR (Jun)	83.58	83.40	83.08	83.91	84.09
JPY - INR (May)	57.12	57.04	56.92	57.25	57.33
JPY - INR (Jun)	57.39	57.28	57.13	57.54	57.64

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
17-May-17	May	Sell	Sell future	64.35	64.15	64.50	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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