

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.49	6.48
US 10 year	2.15	2.16
Eur 10 year	0.28	0.28
UK 10 year	1.02	1.03
JPY 10 year	0.06	0.05

RBI reference rate

	Close		% change
	16-06-2017	15-06-2017	
USD/INR	64.59	64.28	0.48
EUR/INR	72.05	72.11	-0.08
GBP/INR	82.51	81.91	0.73
YEN/INR	58.05	58.62	-0.97

Spot

Spot	Close	Prev close	% change
Rupee	64.43	64.54	-0.17
Dollar index	97.16	97.43	-0.28
Euro	1.1198	1.1145	0.48
British pound	1.2783	1.2758	0.20
Japanese Yen	110.88	110.93	-0.05
Australian (\$)	0.7621	0.7579	0.55
Swiss Franc	0.9733	0.9753	-0.21

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
June	64.52	-0.15	901234	1165122	-13.45	73.55
July	64.76	-0.18	524338	194093	2.60	26.72
June-July	-0.24	-	-	971029	-	83.34
July-August	-0.25	-	-	174537	-	89.92

Global Indices

Indices	Close	Prev close	% change
Dow Jones	21384.28	21359.9	0.11
Nasdaq	5681.479	5700.885	-0.34
FTSE	7463.54	7419.36	0.60
DAX	12752.73	12691.81	0.48
Hang Sang	25850.49	25626.49	0.87
Nikkei	20062.19	19943.26	0.60
SGX Nifty	9630.5	9590	0.42

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1253.73	1253.98	-0.02
Copper	256.4	256.55	-0.06
Brent crude	47.37	46.92	0.96

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 fell for a second day, as investors sold debt to benefit from price gains early last week
- The Gov benchmark 6.79% 2027 bond yield rose to 6.49% from 6.48% in the previous session
- Yield on the US 10-year declined to 2.15% from 2.16% in previous session

Forex (US\$/INR)

- The rupee posted its first weekly loss in four weeks against the US\$, as expectation of a third interest rate increase in the US this year remained firm after the just concluded Fed Monetary meeting
- The US\$ fell against major currencies as dollar gains over Japanese Yen were more than offset by losses in the British pound and Euro. JPY fell sharply against most majors as the BoJ maintained its easy monetary policy leading to further widening policy divergence between BoJ and other major central banks

Equity

- Equity benchmarks settled almost flattish after a rudderless trading session on Friday amid muted global cues
- The Sensex dipped 19 points to settle at 31056 while the Nifty eked out marginal gains of 10 points to end at 9588
- Broader markets relatively outperformed the benchmarks as the BSE midcap and small cap indices gained ~0.15% each. The market breadth on the BSE continued to remain flattish indicating consolidation across broader markets after a decent rally over the past few months

Commodities Market

- Crude oil fell further as rising oil stocks amid Middle East diplomatic conflict weighed on oil price. US oil drillers further added operating rigs for a twenty-second week, continue to add to more supplies
- Gold prices remained in a range in the absence of any major trigger for safe haven buying demand. US Fed raised interest rates by 25 bps while maintaining a hawkish stance keeping scope for further rate hike in 2017

Strategy

- In the currency futures market, the most traded dollar-rupee June contract on the NSE ended at 64.52. The June contract open interest declined 13.45% from the previous day
- July contract open interest increased 2.60% in the previous session
- We expect the US\$ to find resistance at higher levels. Utilise upsides in the pair to go short on the US\$INR pair

Intra-day strategy

US\$INR June futures contract (NSE)	View: Bearish on US\$INR
Sell US\$INR in the range of 64.55 - 64.65	Market Lot: US\$1000
Target: 64.30 / 64.20	Stop Loss: 64.75
Support	Resistance
S1/ S2: 64.45 / 64.25	R1/R2: 64.70 / 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	5018.68	5628.88	-93.47
Debt	701.26	215.83	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 (June)	64.61	64.39	64.26	64.74	64.96
US\$ - INR (July)	64.86	64.64	64.51	64.98	65.20
EUR - INR (June)	72.19	72.07	71.99	72.27	72.39
EUR - INR (July)	72.57	72.46	72.39	72.64	72.75
GBP - INR (June)	82.55	82.28	82.11	82.72	82.99
GBP - INR (July)	82.94	82.65	82.49	83.10	83.38
JPY - INR (June)	58.16	57.77	57.56	58.37	58.76
JPY - INR (July)	58.40	58.13	57.99	58.54	58.81

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
16-Jun-17	June	Buy	Buy Future	64.50	64.80	64.35	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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