

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.86	6.84
US 10 year	2.50	2.54
Eur 10 year	0.44	0.45
UK 10 year	1.24	1.25
JPY 10 year	0.08	0.08

RBI reference rate

	Close		% change
	17-03-2017	16-03-2017	
USD/INR	65.54	65.38	0.24
EUR/INR	70.61	70.19	0.60
GBP/INR	81.00	80.26	0.91
YEN/INR	57.84	57.73	0.19

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	chng (%)	OI	Vol	chng (%)	
					OI	Vol
March	65.56	0.06	1439336	930194	-0.09	-36.52
April	65.81	0.00	839738	178891	6.77	-45.02
March-April	-0.25	-	-	751303	-	80.77
April-May	-0.27	-	-	150206	-	83.97

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20914.62	20934.55	-0.10
Nasdaq	5408.764	5412.08	-0.06
FTSE	7424.96	7415.95	0.12
DAX	12095.24	12083.18	0.10
Hang Sang	24452.52	24309.93	0.59
Nikkei	19521.59	19590	-0.36
SGX Nifty	9158	9170.5	-0.14

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1229.26	1226.61	0.22
Copper	267.95	266.55	0.53
Brent crude	51.76	51.74	0.04

Source: Reuters, Bloomberg, Cdsl for above all exhibits

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Debt market

- Government bonds fell, as investors remained cautious on the recent uptick in inflation amid lack of fresh triggers
- The benchmark 6.97% 2026 bond yield rose mildly to 6.86% from 6.84% supported by an uptick in domestic inflation
- Yield on the US 10-year further fell to 2.50% from 2.54% in the previous day

Forex (US\$/INR)

- The rupee posted its biggest weekly rise in more than a year against the dollar, as a decisive win in a key state in favour of the part at the Centre and the US Federal Reserve's hint of a gradual pace of future rate hikes boosted risk appetite
- The US dollar fell further against major currencies as the JPY and pound Sterling rallied post a host of central bank meetings. US June interest rate hike prospects have fallen since the Fed raised interest rates in the March meeting. The pound rallied on prospects of rising inflation and expectation of earlier-than-expected pullback of stimulus

Equity

- Equity benchmarks ended on a flat note on Friday after clocking fresh highs in the opening session as investors booked profit after the strong rally during the week
- The Sensex gained 63 points or 0.21% to 29648 while the Nifty added just 6 points to settle at 9160
- Broader markets ended on a mixed note as the BSE midcap index was up 0.09% while the small cap index settled a tad lower, down 0.14% for the day. As a result, the overall market breadth was marginally favouring declines with A/D ratio of 1:1.27 on the BSE

Commodities Market

- Crude oil prices ended almost unchanged as a soft US\$ and fall in US stocks kept prices in a range. Decision on extension of supply cuts along with US stocks to remain key catalyst for crude oil prices in near term
- Gold posted mild gains due to a subdued US\$. Fears subsided of four interest rate hikes post US fed FOMC monetary meeting. We expect gold to remain upbeat due to soft US\$ and upcoming political uncertainty due to elections in Europe

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee March contract on the NSE ended at 65.56. The March contract open interest fell 0.09% from the previous day
- April contract open interest rose 6.77% 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

USSINR March futures contract (NSE)	View: Bullish on US\$/INR
Buy US\$/INR in the range of 65.40 - 65.50	Market Lot: US\$1000
Target: 65.70 / 65.80	Stop Loss: 65.30
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)	65.61	65.49	65.40	65.70	65.83
US\$ - INR (Apr)	65.87	65.74	65.66	65.95	66.07
EUR - INR (Mar)	70.59	70.33	70.16	70.76	71.01
EUR - INR (Apr)	70.97	70.72	70.55	71.13	71.38
GBP - INR (Mar)	81.14	80.89	80.68	81.35	81.60
GBP - INR (Apr)	81.47	81.20	80.94	81.73	82.00
JPY - INR (Mar)	57.92	57.79	57.59	58.12	58.25
JPY - INR (Apr)	58.30	58.23	58.14	58.39	58.47

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
17-Mar-17	March USD/INR	Buy	Buy future	65.55	65.80	65.40	80	Exit in profit

(*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

- 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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