

Treasury yields

| | Closing yield% | Previous yield % |
|---------------|----------------|------------------|
| India 10 year | 6.86 | 6.86 |
| US 10 year | 2.21 | 2.17 |
| Eur 10 year | 0.20 | 0.16 |
| UK 10 year | 1.07 | 1.01 |
| JPY 10 year | 0.01 | 0.01 |

RBI reference rate

| | Close | | % change |
|---------|------------|------------|----------|
| | 19-04-2017 | 18-04-2017 | |
| USD/INR | 64.54 | 64.57 | -0.03 |
| EUR/INR | 69.19 | 68.74 | 0.65 |
| GBP/INR | 82.75 | 81.18 | 1.93 |
| YEN/INR | 59.39 | 59.22 | 0.29 |

Spot

| Spot | Close | Prev close | % change |
|-----------------|--------|------------|----------|
| Rupee | 64.58 | 64.63 | -0.08 |
| Dollar index | 99.74 | 99.50 | 0.24 |
| Euro | 1.0711 | 1.073 | -0.18 |
| British pound | 1.2777 | 1.2841 | -0.50 |
| Japanese Yen | 108.86 | 108.43 | 0.40 |
| Australian (\$) | 0.7497 | 0.756 | -0.83 |
| Swiss Franc | 0.9984 | 0.9963 | 0.21 |

Currency futures (US\$/₹, NSE)

| Contracts | LTP | chg (%) | OI | Vol | chg (%) | |
|-----------|-------|---------|---------|--------|---------|--------|
| | | | | | OI | Vol |
| April | 64.65 | -0.08 | 1138038 | 609725 | -0.67 | -35.06 |
| May | 64.94 | -0.08 | 768798 | 123400 | 3.74 | -21.17 |
| April-May | -0.29 | - | - | 486325 | - | 79.76 |
| May-June | -0.24 | - | - | 110204 | - | 89.31 |

Global Indices

| Indices | Close | Prev close | % change |
|-----------|----------|------------|----------|
| Dow Jones | 20404.49 | 20523.28 | -0.58 |
| Nasdaq | 5399.636 | 5391.656 | 0.15 |
| FTSE | 7114.36 | 7147.5 | -0.46 |
| DAX | 12016.45 | 12000.44 | 0.13 |
| Hang Sang | 23900.04 | 23825.88 | 0.31 |
| Nikkei | 18493.74 | 18432.2 | 0.33 |
| SGX Nifty | 9129 | 9135.5 | -0.07 |

* Asian market as at 08.00 am

Commodities

| | Close | Prev close | % change |
|-------------|---------|------------|----------|
| Gold | 1280.21 | 1289.76 | -0.74 |
| Copper | 253.45 | 252.9 | 0.22 |
| Brent crude | 52.93 | 54.89 | -3.57 |

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds rose, as intensifying geopolitical tensions lifted demand for safe-haven assets like US treasury yields that tested five month lows
- The benchmark 6.97% 2026 bond yield was unchanged at 6.86% in the previous session
- Yield on the US 10-year rose to 2.21% from 2.17% in the previous session

Forex (US\$/INR)

- The rupee rose for the first time in three sessions against the US\$ due to overnight weakness in the US\$ and a late recovery in domestic equities helping sustain gains in the rupee
- The dollar index recovered from near its supports at 99.60 along with gains in US yields. Major currencies witnessed profit booking from sharp gains seen in the previous session. However, we expect the US\$ to remain subdued in the absence of any major reform announcements coupled a with rise in geo-political concerns

Equity

- Equity benchmarks settled almost unchanged after a four day decline on Wednesday after lacklustre trade as investor attention remained focused on corporate earnings for Q4FY17 while a sell-off in base metals weighed on sentiments globally
- The Sensex gained 17 points to settle at 29336 while the Nifty settled at 9103, down 2 points
- Broader markets remained relatively outperformers as the BSE midcap and small cap indices gained ~0.7% resulting in positive market breadth with an A/D ratio of 1.3:1

Commodities Market

- Crude oil fell sharply tracking US inventory data. Oil inventories fell less-than-expected at 1.04 mb against the previous drawdown of 2.16 mb. Opec and other member's efforts to contain supply glut is being countered by rising US shale oil inventories
- Gold saw profit booking in yesterday's trade as the US\$ recouped some of its losses tracking gains in US yields. US rate hike prospects and geo political risks remain a significant catalyst for gold in the near term

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee April contract on the NSE ended at 64.64. The April contract open interest fell 0.67% from the previous day
- May contract open interest rose 3.74% from the previous day
- We expect the US\$ to find supports at lower levels. Utilise downsides in the pair to go long on the US\$INR pair

Intra-day strategy

| | |
|---|---------------------------------|
| US\$INR April futures contract (NSE) | View: Bullish on US\$INR |
| Buy US\$INR in the range of 64.50- 64.60 | Market Lot: US\$1000 |
| Target: 64.85/ 64.95 | Stop Loss: 64.50 |
| Support | Resistance |
| S1/ S2: 64.60 / 64.40 | R1/R2:64.80 /65.00 |

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 | 1960.91 | 2028.18 | -67.27 |
| Debt | 1898.45 | 418.41 | 1480.04 |

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 (Apr) | 64.65 | 64.58 | 64.47 | 64.75 | 64.82 |
| US\$ - INR (May) | 64.93 | 64.86 | 64.76 | 65.03 | 65.10 |
| EUR - INR (Apr) | 68.98 | 68.83 | 68.59 | 69.22 | 69.37 |
| EUR - INR (May) | 69.39 | 69.24 | 69.00 | 69.63 | 69.78 |
| GBP - INR (Apr) | 81.67 | 81.23 | 80.51 | 82.39 | 82.83 |
| GBP - INR (May) | 82.10 | 81.69 | 80.96 | 82.83 | 83.24 |
| JPY - INR (Apr) | 59.39 | 59.23 | 59.04 | 59.58 | 59.74 |
| JPY - INR (May) | 59.72 | 59.55 | 59.34 | 59.93 | 60.10 |

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

| Date | Contract USD/INR | View | Strategy | Rec. | Target | SL | (P/L)* | Comment |
|-----------|------------------|------|-------------|-------|--------|-------|--------|---------------|
| 19-Apr-17 | April | Sell | Sell Future | 64.85 | 64.60 | 65.00 | 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



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