

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.89	6.86
US 10 year	2.46	2.50
Eur 10 year	0.44	0.44
UK 10 year	1.23	1.24
JPY 10 year	0.08	0.08

RBI reference rate

	Close		% change
	20-03-2017	17-03-2017	
USD/INR	65.38	65.54	-0.24
EUR/INR	70.38	70.61	-0.33
GBP/INR	81.02	81.00	0.02
YEN/INR	58.06	57.84	0.38

Spot

Spot	Close	Prev close	% change
Rupee	65.36	65.48	-0.18
Dollar index	100.41	100.30	0.11
Euro	1.0739	1.0738	0.01
British pound	1.2358	1.2396	-0.31
Japanese Yen	112.55	112.7	-0.13
Australian (\$)	0.7731	0.7704	0.35
Swiss Franc	0.9985	0.9982	0.03

Currency futures (US\$/₹, NSE)

Contracts	LTP	chng (%)	OI	Vol	chng (%)	
					OI	Vol
March	65.44	-0.18	1413432	849502	-1.80	-8.67
April	65.70	-0.17	898454	219050	6.99	22.45
March-April	-0.26	-	-	630452	-	74.21
April-May	-0.26	-	-	199278	-	90.97

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20905.86	20914.62	-0.04
Nasdaq	5413.308	5408.764	0.08
FTSE	7429.81	7424.96	0.07
DAX	12052.9	12095.24	-0.35
Hang Sang	24584.85	24501.99	0.34
Nikkei	19454.42	19521	
SGX Nifty	9187.5	9164	0.26

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1234.24	1229.26	0.41
Copper	265.55	267.95	-0.90
Brent crude	51.62	51.76	-0.27

Source: Reuters, Bloomberg, Cdsl for above all exhibits

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Debt market

- Government bonds ended lower for a third session as investor sentiment remained muted amid absence of fresh triggers ahead of fiscal year end
- The benchmark 6.97% 2026 bond yield rose mildly to 6.89% from 6.86% supported by an uptick in domestic inflation
- Yield on US 10-year further fell to 2.46% from 2.50% in the previous day

Forex (US\$/INR)

- The rupee rose to a fresh near-17-month high against the dollar, in line with most Asian currencies as the US\$ stayed under pressure after the US Fed maintained its stance of a gradual pace of rate hikes in 2017
- The US dollar posted minor gains against major currencies in otherwise calm forex markets. We expect the US\$ to remain under pressure and in consolidation as major dollar positive sentiment is already priced in. The pound fell as the UK has conveyed to Europe on triggering Article 50, setting the stage for two years of negotiation for separation from EU

Equity

- Equity benchmarks snapped their two day rising streak and settled lower on the first trading session of the week weighed down by profit booking in key heavyweights after indices surged to record highs
- The Sensex shed 130 points or 0.44% to 29518 while the Nifty eased 33 points or 0.36% to settle at 9126
- Broader markets outperformed benchmarks as the BSE midcap, small cap indices rose 0.17%, 0.30%, respectively. Overall market breadth was marginally favouring declines with A/D ratio of 1:1.06 on BSE

Commodities Market

- Crude oil prices posted minor losses as a global glut overhang weighed on prices. Opec members have vowed to extend supply cuts originally set to expire in June. Crude oil prices remain in a tug-of-war between Opec supply cuts and rising US supplies & inventories
- Gold continued to recoup losses made before the US Fed FOMC meeting. A soft US\$ along with rising inflationary pressures seen in developed markets would keep gold supported

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee March contract on the NSE ended at 65.44. The March contract open interest fell 1.80% from the previous day
- April contract open interest rose 6.99% from the previous day
- We expect the US dollar to meet supply pressure at higher levels. Utilise upsides in the pair to go short on the US\$/INR pair

Intra-day strategy

US\$INR March futures contract (NSE)	View: Bearish on US\$INR
Sell US\$INR in the range of 65.50 - 65.60	Market Lot: US\$1000
Target: 65.40 / 65.30	Stop Loss: 65.70
Support	Resistance
S1/ S2: 65.40 / 65.30	R1/R2: 65.70 / 65.80

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	11445.07	9845.05	1600.02
Debt	1512.13	1175.91	336.22

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)	65.45	65.35	65.27	65.53	65.63
US\$ - INR (Apr)	65.70	65.60	65.53	65.78	65.87
EUR - INR (Mar)	70.46	70.33	70.25	70.54	70.67
EUR - INR (Apr)	70.84	70.73	70.65	70.91	71.03
GBP - INR (Mar)	81.25	81.11	80.96	81.40	81.54
GBP - INR (Apr)	81.63	81.49	81.34	81.77	81.91
JPY - INR (Mar)	58.10	57.93	57.84	58.20	58.36
JPY - INR (Apr)	58.42	58.25	58.15	58.53	58.70

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
20-Mar-17	March	Buy	Buy future	65.45	65.75	65.30	-80	Exit in loss

(*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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