

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.45	6.47
US 10 year	2.16	2.19
Eur 10 year	0.26	0.28
UK 10 year	1.00	1.03
JPY 10 year	0.06	0.06

RBI reference rate

	Close		% change
	20-06-2017	19-06-2017	
USD/INR	64.47	64.38	0.14
EUR/INR	71.96	72.10	-0.20
GBP/INR	82.15	82.21	-0.07
YEN/INR	57.80	57.98	-0.31

Spot

Spot	Close	Prev close	% change
Rupee	64.50	64.43	0.12
Dollar index	97.76	97.55	0.22
Euro	1.1134	1.1149	-0.13
British pound	1.2629	1.2737	-0.85
Japanese Yen	111.45	111.53	-0.07
Australian (\$)	0.758	0.76	-0.26
Swiss Franc	0.9751	0.9757	-0.06

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
June	64.57	0.11	828479	693175	-1.00	25.01
July	64.83	0.12	617409	160565	9.12	30.07
June-July	-0.26	-	-	532610	-	76.84
July-August	-2.24	-	-	139283	-	86.75

Global Indices

Indices	Close	Prev close	% change
Dow Jones	21467.14	21528.99	-0.29
Nasdaq	5726.311	5772.223	-0.80
FTSE	7472.71	7523.81	-0.68
DAX	12814.79	12888.95	-0.58
Hang Sang	25765.49	25843.04	-0.30
Nikkei	20183.9	20230.41	-0.23
SGX Nifty	9645	9673.5	-0.29

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1243.01	1243.84	-0.07
Copper	255.45	258.95	-1.35
Brent crude	46.02	46.91	-1.90

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds rose for a second day with the benchmark as traders boosted purchases ahead of the release of Monetary Policy Committee's latest meeting minutes today
- The Gov benchmark 6.79% 2027 bond yield fell to 6.45% from 6.47% in the previous session
- Yield on the US 10-year declined to 2.16% from 2.19% in the previous session

Forex (US\$/INR)

- The rupee ended lower paring intra-day gains as traders remain cautious ahead of today's monetary policy meeting minutes while strength in the US\$ also weighed on rupee gains
- The US\$ rose against major currencies mainly on the back of losses in the British pound. The GBP fell as Brexit negotiations are underway while political uncertainty looms large in the face of the Conservative party failing to garner a clear majority. US\$JPY pair has resistance near 112-level even as any dollar weakness could see pair falling sharply

Equity

- Equity benchmarks settled marginally lower in a range bound trading session on Tuesday as mixed Asian cues kept gains in check
- The Sensex settled at 31297, down 14 points while the Nifty shut shop at 9653, down just 4 points
- Broader markets relatively outperformed the benchmarks as the BSE midcap and small cap indices posted nominal gains of ~0.15% each. However, the overall market breadth was tilted in favour of declines

Commodities Market

- Crude oil fell further as rising output from the US to Libya undermined the co-ordinated efforts of Opec and other members to keep curbs on daily oil output
- Gold prices broke the losing streak as US\$ gains also took a breather. Gold would remain in a broad range as rising US interest rate hike and geo-political risks in the Gulf region would keep safe haven buying demand intact

Strategy

- In the currency futures market, the most traded dollar-rupee June contract on the NSE ended at 64.57. The June contract open interest declined 1.0% from the previous day
- July contract open interest increased 9.12% 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 64.62 - 64.72	Market Lot: US\$1000
Target: 64.35 / 64.25	Stop Loss: 64.82
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	3886.89	4058.44	-93.47
Debt	1745.12	671.00	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)	64.54	64.49	64.42	64.61	64.67
US\$ - INR (July)	64.79	64.74	64.67	64.86	64.91
EUR - INR (June)	72.06	71.92	71.81	72.17	72.31
EUR - INR (July)	72.42	72.33	72.25	72.50	72.60
GBP - INR (June)	81.98	81.59	81.37	82.20	82.60
GBP - INR (July)	82.39	81.98	81.75	82.62	83.04
JPY - INR (June)	57.88	57.83	57.74	57.97	58.02
JPY - INR (July)	58.19	58.13	58.04	58.28	58.34

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
20-Jun-17	June	Sell	Sell future	64.63	64.35	64.78	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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