

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.89	6.89
US 10 year	2.42	2.46
Eur 10 year	0.46	0.44
UK 10 year	1.25	1.23
JPY 10 year	0.07	0.08

RBI reference rate

	Close		% change
	21-03-2017	20-03-2017	
USD/INR	65.31	65.38	-0.11
EUR/INR	70.30	70.38	-0.12
GBP/INR	80.63	81.02	-0.48
YEN/INR	57.95	58.06	-0.19

Spot

Spot	Close	Prev close	% change
Rupee	65.28	65.36	-0.12
Dollar index	99.81	100.41	-0.59
Euro	1.0811	1.0739	0.67
British pound	1.2478	1.2358	0.97
Japanese Yen	111.71	112.55	-0.75
Australian (\$)	0.7691	0.7731	-0.52
Swiss Franc	0.9939	0.9985	-0.46

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
March	65.31	-0.38	1496583	1024674	3.98	10.16
April	65.55	-0.40	986860	269482	17.52	50.64
March-April	-0.24	-	-	755192	-	73.70
April-May	-0.26	-	-	251536	-	93.34

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20668.01	20905.86	-1.14
Nasdaq	5332.533	5413.308	-1.49
FTSE	7378.34	7429.81	-0.69
DAX	11962.13	12052.9	-0.75
Hang Sang	24279.96	24593.12	-1.27
Nikkei	19072.72	19455.88	-1.97
SGX Nifty	9082	9151.5	-0.76

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1244.81	1234.24	0.86
Copper	261	265.55	-1.71
Brent crude	50.96	51.62	-1.28

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds ended higher for the first time in four sessions, as a decline in US treasury yields due to the Fed's gradual rate hike stance aided by debt buying
- The benchmark 6.97% 2026 bond yield was unchanged at 6.89% on the previous day
- Yield on US 10-year further fell to 2.42% from 2.46% in the previous day

Forex (US\$/INR)

- The rupee rose for a second day against the dollar, a sixth day of gain in seven sessions, as foreign banks and exporters continue to sell amid weakness in the US\$. However, sharp gains in the rupee could be halted if domestic equities see profit booking
- The US dollar fell sharply against major currencies as US equities see highest profit booking since US presidential election results. The pound Sterling saw huge gains due to US\$ weakness and UK Prime Minister's decision to trigger Article 50 by March end. We expect US\$ to remain under pressure as rate hike sentiment is already priced in

Equity

- Equity benchmarks settled marginally lower amid consolidation on Tuesday as investors remained sideways amid lack of global and domestic cues. However, newly listed D-Mart hogged the limelight, rising more than 114% on its debut on bourses
- The Sensex settled at 29485 down 33 points or 0.11% while the Nifty shut shop at 9121 down just 5 points
- Broader markets underperformed the benchmarks as the BSE midcap and small cap indices settled lower by 0.45% and 0.19%, respectively. As a result, the overall market breadth was favouring declines with A/D ratio of 1:1.5 on the BSE

Commodities Market

- Crude oil fell in yesterday's trade in line with US equities. Expectation of a rise in oil inventories this week is weighing on crude oil prices. Inventory survey shows oil stocks rising by 3 million barrel this week. Opec would only confirm in May over extension of supply curbs post expiry in June
- Gold continued to gain as a sell-off in equities and US\$ helped non interest paying asset gain. Heavy selling in US equities since US presidential results supported safe haven buying in gold

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee March contract on the NSE ended at 65.31. The March contract open interest rose 3.98% from the previous day
- April contract open interest rose 17.52% 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 65.25 - 65.35	Market Lot: US\$1000
Target: 65.60 / 65.70	Stop Loss: 65.15
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	5482.03	4863.12	618.91
Debt	2477.70	1221.79	1255.91

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)	65.36	65.22	65.13	65.45	65.60
US\$ - INR (Apr)	65.61	65.46	65.37	65.70	65.84
EUR - INR (Mar)	70.52	70.42	70.24	70.70	70.80
EUR - INR (Apr)	70.89	70.80	70.63	71.06	71.15
GBP - INR (Mar)	81.23	80.95	80.46	81.72	81.99
GBP - INR (Apr)	81.60	81.33	80.84	82.08	82.35
JPY - INR (Mar)	58.05	57.89	57.67	58.27	58.43
JPY - INR (Apr)	58.40	58.30	58.14	58.56	58.66

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
21-Mar-17	March	Sell	Sell future	65.55	65.20	65.70	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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