

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.68	6.68
US 10 year	2.25	2.28
Eur 10 year	0.40	0.41
UK 10 year	1.07	1.08
JPY 10 year	0.05	0.05

RBI reference rate

	Close		% change
	24-05-2017	23-05-2017	
USD/INR	64.86	64.78	0.13
EUR/INR	72.47	72.75	-0.38
GBP/INR	84.10	84.03	0.07
YEN/INR	57.96	58.37	-0.70

Spot

Spot	Close	Prev close	% change
Rupee	64.73	64.89	-0.24
Dollar index	97.24	97.35	-0.12
Euro	1.1219	1.1183	0.32
British pound	1.2972	1.2961	0.08
Japanese Yen	111.49	111.78	-0.26
Australian (\$)	0.7503	0.7478	0.33
Swiss Franc	0.973	0.976	-0.31

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
May	64.77	-0.28	776790	969764	-5.07	-27.77
Jun	65.01	-0.26	943745	344413	1.16	-2.80
May-Jun	-0.24	-	-	625351	-	64.48
Jun-Jul	-0.26	-	-	310048	-	90.02

Global Indices

Indices	Close	Prev close	% change
Dow Jones	21012.42	20937.91	0.36
Nasdaq	5730.301	5703.346	0.47
FTSE	7514.9	7485.29	0.40
DAX	12642.87	12659.15	-0.13
Hang Sang	25546.67	25428.5	0.46
Nikkei	19848.09	19742.98	0.53
SGX Nifty	9414	9373	0.44

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1258.73	1251.22	0.60
Copper	257.8	259.05	-0.48
Brent crude	53.96	54.15	-0.35

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds gave up early gains to fall for a second day after media reports of increasing military tensions between India and Pakistan weighed on the appetite
- The benchmark 6.97% 2026 bond yield rose was almost unchanged at 6.68% in the previous session
- Yield on the US 10-year fell to 2.25% from 2.28% in the previous session

Forex (US\$/INR)

- The rupee rose against the US\$ as banks sold the dollar in thin volume trade, even as traders remained cautious on reports of renewed India-Pakistan military tensions
- The US\$ fell further against major currencies post US Fed minutes of the last monetary meeting. The June Fed meeting remains live with interest rate hike probability near 80%. However, Fed officials remain cautious on stubborn inflation raising concerns on meeting sustained inflation target. Euro gained sharply continuing its rally momentum post the meeting

Equity

- Equity benchmarks extended their decline on Wednesday to settle at two-week lows ahead of the F&O expiry of May series of derivative contracts
- The Sensex settled at 30296, down 69 points or 0.23% while the Nifty settled at 9360, down 25 points or 0.27% for the day
- Broader markets continued their underperformance as the BSE midcap and small cap indices corrected 1.46% and 1.34%, respectively, resulting in negative market breadth with A/D ratio of 1:3 on the BSE

Commodities Market

- Crude oil remains on the edge ahead of Opec and other members meet today on extending supply curbs into 2018. We expect oil prices to remain supportive if all producers agree on supply curbs while profit booking would set in if the meeting fails to arrive at any decision
- Gold prices gained slightly post US Fed minutes. Although US interest rate hike is very much imminent in the June meeting, stubborn inflation has raised concerns on the pace of further rate hikes, thus supporting non interest paying asset like gold

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee May contract on the NSE ended at 64.95. The May contract open interest declined 5.07% from the previous day
- June contract open interest increased by 1.16% in the last session
- We expect the US\$ to find supports at lower levels. Utilise upsides in the pair to go short on the US\$INR pair

Intra-day strategy

US\$INR May futures contract (NSE)	View: Bearish on US\$INR
Sell US\$INR in the range of 64.70 - 64.80	Market Lot: US\$1000
Target: 64.45/ 64.25	Stop Loss: 64.90
Support	Resistance
S1/ S2: 64.60 / 64.40	R1/R2: 64.80 / 65.00

Source: Company, ICICIdirect.com Research

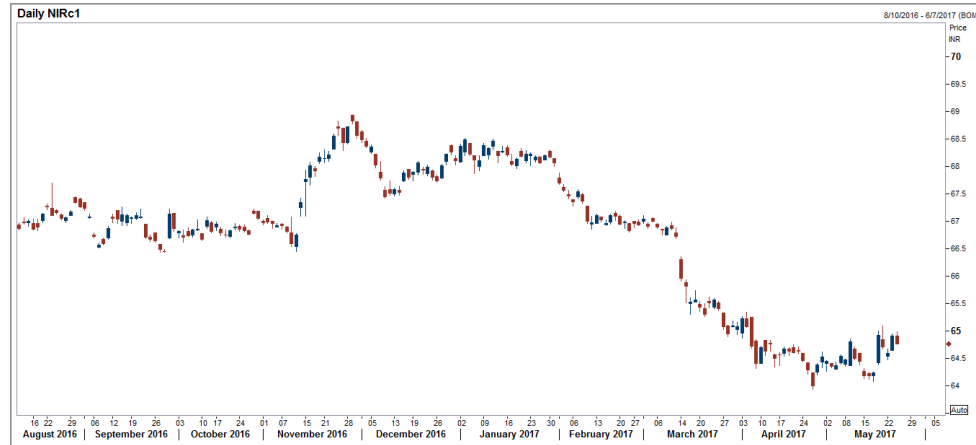
*Call initiation and update messages will be broadcast on iclick-2-gain"

FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹ crore)
Equity	5782.50	6148.58	-93.47
Debt	2182.63	533.20	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 (May)	64.85	64.70	64.62	64.93	65.08
US\$ - INR (Jun)	65.10	64.95	64.86	65.19	65.34
EUR - INR (May)	72.55	72.37	72.26	72.65	72.83
EUR - INR (Jun)	72.93	72.76	72.66	73.03	73.20
GBP - INR (May)	84.10	83.89	83.77	84.22	84.44
GBP - INR (Jun)	84.49	84.29	84.18	84.61	84.81
JPY - INR (May)	58.02	57.85	57.73	58.14	58.31
JPY - INR (Jun)	58.31	58.17	58.08	58.40	58.54

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
24-May-17	May	Buy	buy future	64.75	64.60	64.60	0	Not initiaed

(*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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