

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.83	6.83
US 10 year	2.41	2.42
Eur 10 year	0.40	0.43
UK 10 year	1.20	1.23
JPY 10 year	0.07	0.06

RBI reference rate

	Close		% change
	24-03-2017	23-03-2017	
USD/INR	65.46	65.42	0.06
EUR/INR	70.47	70.67	-0.29
GBP/INR	81.67	81.85	-0.22
YEN/INR	58.74	58.81	-0.12

Spot

Spot	Close	Prev close	% change
Rupee	65.42	65.53	-0.18
Dollar index	99.63	99.76	-0.13
Euro	1.0798	1.0783	0.14
British pound	1.2473	1.2521	-0.38
Japanese Yen	111.34	110.94	0.36
Australian (\$)	0.7623	0.7627	-0.05
Swiss Franc	0.9914	0.9934	-0.20

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
March	65.41	-0.23	1000562	1134810	-7.07	0.00
April	65.63	-0.26	1167559	277571	5.52	6.76
March-April	-0.22	-	-	857239	-	75.54
April-May	-0.27	-	-	262261	-	94.48

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20596.72	20656.58	-0.29
Nasdaq	5363.996	5355.143	0.17
FTSE	7336.82	7340.71	-0.05
DAX	12064.27	12039.68	0.20
Hang Sang	24303.17	24358.27	-0.23
Nikkei	18970.79	19262.53	-1.51
SGX Nifty	9102	9111.5	-0.10

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1243.57	1245.2	-0.13
Copper	262.35	263.65	-0.49
Brent crude	50.8	50.56	0.47

Source: Reuters, Bloomberg, Cdsl for above all exhibits

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Debt market

- Government bond yields fell for a second week, as foreign investors increased bets on emerging market debt amid lingering doubts over US President Donald Trump's ability to roll out policy reforms ahead of the crucial health care act
- The benchmark 6.97% 2026 bond yield remain unchanged at 6.83% in the previous day
- Yield on US 10-year fell to 2.41% from 2.42% in the previous day

Forex (US\$/INR)

- The rupee rose for a fifth week against the dollar, helped by a soft US\$ and buoyant domestic equities boosted hopes of continuing foreign fund inflows
- The US\$ fell against major currencies as failure of clearance of crucial health care bill has raised concerns on the ability of the US President to enact future major reforms. The US\$ had gained against major currencies on the US President's rhetorical speeches and statements on big tax reforms and higher infrastructure spending

Equity

- Equity benchmarks settled higher for a second consecutive session amid broader consolidation while the PSU banking space hogged the limelight, on reports that the Finance Minister has promised to offer a solution to the growing NPA crisis in the next few days
- The Sensex rose 89 points or 0.30% to 29421 while the Nifty was up 21 points or 0.24% to 9108
- Broader markets ended on a mixed note as the BSE midcap index ended marginally in red, down 0.03% while the small cap index was up 0.35% for the day. As a result, the overall market breadth was flat

Commodities Market

- Crude oil posted mild gains as some of the Opec members are expected to support oil supply curbs extension by further six months to contain a global glut. Also, a soft US\$ would support gains in crude oil prices
- Gold fell on Friday ahead of a crucial healthcare bill reform, which eventually did not gather enough support. We expect gold to remain supported as the US\$ would remain under pressure in the near term

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee March contract on the NSE ended at 65.41. The March contract open interest fell 7.07% from the previous day
- April contract open interest rose 5.52% from the previous day
- We expect the US\$ 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 65.35 - 65.45	Market Lot: US\$1000
Target: 65.20 / 65.00	Stop Loss: 65.55
Support	Resistance
S1/ S2: 65.30 / 65.10	R1/R2:65.50 / 65.70

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	5976.95	4880.08	1096.87
Debt	408.55	946.11	-537.56

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)	65.44	65.35	65.28	65.51	65.61
US\$ - INR (Apr)	65.68	65.58	65.52	65.74	65.84
EUR - INR (Mar)	70.65	70.53	70.38	70.80	70.92
EUR - INR (Apr)	71.02	70.91	70.75	71.18	71.29
GBP - INR (Mar)	81.77	81.62	81.52	81.87	82.02
GBP - INR (Apr)	82.19	81.87	81.70	82.35	82.67
JPY - INR (Mar)	58.87	58.78	58.66	58.98	59.07
JPY - INR (Apr)	59.13	59.05	58.96	59.23	59.31

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
24-Mar-17	March	Buy	Buy future	65.45	65.65	65.30	-30	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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