

**Treasury yields**

	Closing yield%	Previous yield %
India 10 year	6.95	6.94
US 10 year	2.30	2.33
Eur 10 year	0.35	0.38
UK 10 year	1.08	1.09
JPY 10 year	0.02	0.03

**RBI reference rate**

	Close		% change
	4/26/2017	4/25/2017	
USD/INR	64.00	64.28	-0.43
EUR/INR	70.04	69.86	0.27
GBP/INR	82.13	82.27	-0.17
YEN/INR	57.47	58.33	-1.47

**Spot**

Spot	Close	Prev close	% change
Rupee	64.12	64.28	-0.25
Dollar index	99.05	98.79	0.26
Euro	1.0904	1.0926	-0.20
British pound	1.2848	1.2842	0.05
Japanese Yen	111.06	111.09	-0.03
Australian (\$)	0.7474	0.7535	-0.81
Swiss Franc	0.9933	0.9938	-0.05

**Currency futures (US\$/₹, NSE)**

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
May	64.02	-0.44	892626	1024371	-15.62	-6.32
Jun	64.39	-0.30	1489972	1483339	13.43	59.26
May-Jun	-0.36	-	-	-458968	-	-44.80
Jun-Jul	-0.27	-	-	1331394	-	89.76

**Global Indices**

Indices	Close	Prev close	% change
Dow Jones	20975.09	20996.12	-0.10
Nasdaq	5541.086	5548.194	-0.13
FTSE	7288.72	7275.64	0.18
DAX	12472.8	12467.04	0.05
Hang Sang	24530.97	24578.43	-0.19
Nikkei	19243.76	19289.43	-0.24
SGX Nifty	9339	9346	-0.07

\* Asian market as at 08.00 am

**Commodities**

	Close	Prev close	% change
Gold	1269.22	1264.13	0.40
Copper	258.85	257.85	0.39
Brent crude	51.82	52.1	-0.54

Source: Reuters, Bloomberg, CdsI for above all exhibits

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**Debt market**

- Sovereign bonds fell, tracking an uptrend in US treasury yields after investors pulled out of safe haven trades and shifted focus to Donald Trump's much-awaited tax reform. The Reserve Bank of India's bid to check surging liquidity coupled with reissuance of the benchmark note in this week's auction also hurt demand for local notes
- Benchmark 6.97% 2026 bond yield moved a bit higher at 6.95%
- Yield on the US 10-year declined to 2.30% from 2.33% in the previous session

**Forex (US\$/INR)**

- The rupee soared to a fresh over 20-month high against the dollar, as local shares surged to a record, boosting hopes of further foreign fund inflows amid greater global appetite for risk assets
- The US dollar retreated from highs against major rivals in the wake of the tax plan after a senior Trump administration official said a draft executive order to withdraw the US from the North American Free Trade Agreement (Nafta) is under consideration

**Equity**

- Equity benchmarks ended at a record high on Wednesday extending gains for a third successive session, helped by healthy corporate earnings and positive global cues
- The BSE Sensex gained 190 points or 0.63% to end at 30133 whereas the broader NSE Nifty index rallied 45 points or 0.5% to settle at 9352
- The broader markets witnessed profit booking in recently run up stocks as the BSE midcap and small cap indices declined 0.12% and 0.63%, respectively. As a result, the overall market breadth was tilted in favour of declines with an A/D ratio of 1:2 on the BSE

**Commodities Market**

- Oil prices settled with modest gains on Wednesday, well below the session's best levels, as crude futures fell on the back of an unexpected weekly rise in US supplies of the fuel. June WTI crude gained 0.1%, to settle at \$49.62 a barrel on the New York Mercantile Exchange after touching a high of \$50.20.
- Gold recovered from a two-week low, buoyed by short-covering on Wednesday as US treasury yields turned lower and the dollar pared gains after President Donald Trump proposed slashing the US tax rate on corporate profits

**US\$/INR derivatives strategy**

- In the currency futures market, the most traded dollar-rupee May contract on the NSE ended at 64.02. The May contract open interest declined 15.6% from the previous day
- June contract open interest increased 13.4% 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 May futures contract (NSE)	View: Bearish on US\$/INR
Sell US\$/INR in the range of 64.20- 64.25	Market Lot: US\$1000
Target: 64.00/ 63.90	Stop Loss: 64.35
Support	Resistance
S1/ S2: 64.00 / 63.80	R1/R2:64.50 /64.70

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	5660.25	5334.27	325.98
Debt	790.89	882.07	-91.18

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)	64.06	63.88	63.76	64.18	64.36
US\$ - INR (Jun)	64.36	64.22	64.07	64.52	64.66
EUR - INR (May)	70.08	69.92	69.79	70.20	70.36
EUR - INR (Jun)	70.42	70.05	69.84	70.63	71.01
GBP - INR (May)	82.21	82.00	81.86	82.34	82.55
GBP - INR (Jun)	82.66	82.49	82.32	82.84	83.01
JPY - INR (May)	57.63	57.27	57.07	57.83	58.20
JPY - INR (Jun)	58.11	57.68	57.34	58.45	58.88

Source: NSE, ICICIdirect.com Research

### Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
26-Apr-17	May	Sell	Sell future	64.65	64.35	64.80	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 paise 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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