

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.94	6.95
US 10 year	2.29	2.30
Eur 10 year	0.30	0.35
UK 10 year	1.06	1.08
JPY 10 year	0.02	0.02

RBI reference rate

	Close		% change
	4/27/2017	4/26/2017	
USD/INR	64.11	64.00	0.18
EUR/INR	69.89	70.04	-0.22
GBP/INR	82.59	82.13	0.56
YEN/INR	57.60	57.47	0.23

Spot

Spot	Close	Prev close	% change
Rupee	64.15	64.12	0.06
Dollar index	99.08	99.05	0.03
Euro	1.0873	1.0904	-0.28
British pound	1.2904	1.2848	0.44
Japanese Yen	111.26	111.06	0.18
Australian (\$)	0.7465	0.7474	-0.12
Swiss Franc	0.9941	0.9933	0.08

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
May	64.39	0.58	1474612	765203	65.20	-25.30
Jun	64.66	0.43	349033	90549	-76.57	-93.90
May-Jun	-0.27	-	-	674654	-	88.17
Jun-Jul	-0.28	-	-	66880	-	73.86

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20981.33	20975.09	0.03
Nasdaq	5571.283	5541.086	0.54
FTSE	7237.17	7288.72	-0.71
DAX	12443.79	12472.8	-0.23
Hang Sang	24617.48	24698.48	-0.33
Nikkei	19211.59	19251.87	-0.21
SGX Nifty	9364	9342.5	0.23

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1264.3	1269.22	-0.39
Copper	258	258.85	-0.33
Brent crude	51.44	51.82	-0.73

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Sovereign bonds ended higher, as US treasury yields fell following President Donald Trump's lackluster tax plan, even as investors awaited a fresh supply of notes today
- Benchmark 6.97% 2026 bond yield declined to 6.94% from 6.95%
- Yield on the US 10-year declined to 2.29% from 2.30% in the previous session

Forex (US\$/INR)

- The rupee fell for the first time in four sessions against the dollar, tracking weak local shares. Dollar demand from importers also trimmed early gains triggered by broad greenback weakness, after US President Donald Trump's tax reform plans disappointed investors
- Eurozone government bond yields tumbled and the euro hit session lows after European Central Bank chief Mario Draghi said policymakers did not discuss removing the bank's easing bias on monetary policy at Thursday's meeting

Equity

- Equity benchmarks took a breather after hitting record highs in the previous session as participants booked profit amid choppy trades in the derivatives expiry session
- The Sensex settled at 30029 down 103 points or 0.34% while the Nifty shed just 9 points to end at 9342
- The broader markets ended on a flat note as the BSE midcap index was up 0.07% while the small cap index settled marginally down 0.02%. The overall market breadth was marginally in favour of declines with an A/D ratio of 1:1.18 on the BSE

Commodities Market

- Oil prices rose on Friday but were still on track for a second straight weekly loss on concerns that an Opec-led production cut has failed to significantly tighten an oversupplied market
- Gold resumed its downward slide from a five-month high in mid-April, giving up gains that came after US President Donald Trump announced unfunded tax cuts while comments from European Central Bank President Mario Draghi weakened the euro

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee May contract on the NSE ended at 64.39. The May contract open interest increased by 65.20% from the previous day
- June contract open interest moved to 349033 contracts.
- 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 64.40- 64.45	Market Lot: US\$1000
Target: 64.20/ 64.00	Stop Loss: 64.55
Support	Resistance
S1/ S2: 64.20 / 64.00	R1/R2:64.55 /64.65

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	5441.78	5506.07	-64.29
Debt	661.30	845.86	-184.56

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 (May)	64.34	64.26	64.13	64.47	64.55
US\$ - INR (Jun)	64.61	64.54	64.42	64.72	64.79
EUR - INR (May)	70.29	70.19	70.10	70.38	70.48
EUR - INR (Jun)	70.69	70.61	70.53	70.77	70.85
GBP - INR (May)	82.94	82.69	82.27	83.37	83.62
GBP - INR (Jun)	83.41	83.25	82.99	83.67	83.83
JPY - INR (May)	57.78	57.58	57.24	58.12	58.32
JPY - INR (Jun)	58.18	58.06	57.88	58.36	58.48

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
27-Apr-17	USD/INR May	Sell	Sell future	64.23	64.00	64.35	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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