

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.46	6.43
US 10 year	2.15	2.16
Eur 10 year	0.25	0.27
UK 10 year	1.02	1.03
JPY 10 year	0.06	0.06

RBI reference rate

	Close		% change
	22-06-2017	21-06-2017	
USD/INR	64.50	64.60	-0.17
EUR/INR	72.07	71.94	0.18
GBP/INR	81.80	81.53	0.32
YEN/INR	58.05	58.07	-0.03

Spot

Spot	Close	Prev close	% change
Rupee	64.60	64.52	0.11
Dollar index	97.59	97.56	0.03
Euro	1.1152	1.1168	-0.14
British pound	1.2682	1.2671	0.09
Japanese Yen	111.33	111.38	-0.04
Australian (\$)	0.7542	0.7553	-0.15
Swiss Franc	0.9718	0.9725	-0.07

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
June	64.62	0.05	884362	780042	4.51	-11.41
July	64.86	0.05	663552	189084	7.32	16.47
June-July	-0.24	-	-	590958	-	75.76
July-August	-0.26	-	-	178404	-	94.35

Global Indices

Indices	Close	Prev close	% change
Dow Jones	21397.29	21410.03	-0.06
Nasdaq	5779.87	5782.394	-0.04
FTSE	7439.29	7447.79	-0.11
DAX	12794	12774.26	0.15
Hang Sang	25744.04	25674.53	0.27
Nikkei	20109.2	20110.51	-0.01
SGX Nifty	9633	9635.5	-0.03

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1250.51	1246.48	0.32
Copper	259.9	260.2	-0.12
Brent crude	45.22	44.82	0.89

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds fell for the first time in four sessions, after the policy meeting minutes showed the central bank governor favours avoiding premature policy action amid an uncertain near-term inflation outlook
- The Gov benchmark 6.79% 2027 bond yield rose to 6.46% from 6.43% in the previous session
- Yield on the US 10-year was unchanged declined to 2.15% from 2.16% in the previous session

Forex (US\$/INR)

- The rupee fell to a more-than-three-week low against US\$, weighed down by profit booking in domestic equities amid strength in US\$
- The US\$ remains in a range as forex movement remain calm in absence of any major trigger. Traders await US June employment data for cue on the rate hike trajectory for 2017. US\$JPY would remain in focus ahead of US employment and Japan CPI data. Both major central banks remain on a widening divergent monetary path

Equity

- Equity benchmarks ended on a flat note after surrendering intraday gains to a bout of profit booking in the last hour of trade on Thursday
- The Sensex surged to a fresh record high of 31522 before losing 267 points from the high and finally settled at 31290, up just 7 points while the Nifty pared 81 points from high of 9698 to finally settle at 9630, down 3 points
- Profit booking was evident across broader markets as the BSE midcap and small cap indices lost over 0.50% each. As a result, the market breadth turned negative post the afternoon session with an A/D ratio of 1:1.38 on the BSE

Commodities Market

- Crude oil recovered some of its previous steep losses on account of value buying and short covering. US supply has increased to 9.35 mb while Libya supplies are at four year highs
- Gold prices were mildly supported as weak US\$ and fall in crude oil prices supported safe haven buying. US jobs data would be a catalyst for gold prices in the near term

Strategy

- In the currency futures market, the most traded dollar-rupee June contract on the NSE ended at 64.62. The June contract open interest increased 4.51% from the previous day
- July contract open interest increased 7.32% in the previous session
- We expect the US\$ to find resistance at higher levels. Utilise upsides in the pair to go short on the US\$INR pair

Intra-day strategy

US\$INR June futures contract (NSE)	View: Bearish on US\$INR
Sell US\$INR in the range of 64.63 - 64.73	Market Lot: US\$1000
Target: 64.45 / 64.35	Stop Loss: 64.83
Support	Resistance
S1/ S2: 64.45 / 64.25	R1/R2: 64.65 / 64.85

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	4835.29	4923.88	-93.47
Debt	1574.92	748.77	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 (June)	64.57	64.52	64.43	64.67	64.72
US\$ - INR (July)	64.82	64.77	64.68	64.91	64.96
EUR - INR (June)	72.14	72.07	71.98	72.23	72.29
EUR - INR (July)	72.52	72.47	72.38	72.61	72.66
GBP - INR (June)	81.84	81.77	81.67	81.94	82.00
GBP - INR (July)	82.23	82.17	82.08	82.32	82.38
JPY - INR (June)	58.11	57.98	57.90	58.18	58.31
JPY - INR (July)	58.41	58.27	58.19	58.48	58.63

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
22-Jun-17	June	Sell	Sell future	64.70	64.45	64.85	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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