

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.43	6.45
US 10 year	2.16	2.16
Eur 10 year	0.27	0.26
UK 10 year	1.03	1.00
JPY 10 year	0.06	0.06

RBI reference rate

	Close		% change
	21-06-2017	20-06-2017	
USD/INR	64.60	64.47	0.21
EUR/INR	71.94	71.96	-0.02
GBP/INR	81.53	82.15	-0.75
YEN/INR	58.07	57.80	0.47

Spot

Spot	Close	Prev close	% change
Rupee	64.52	64.50	0.03
Dollar index	97.56	97.76	-0.21
Euro	1.1168	1.1134	0.31
British pound	1.2671	1.2629	0.33
Japanese Yen	111.38	111.45	-0.06
Australian (\$)	0.7553	0.758	-0.36
Swiss Franc	0.9725	0.9751	-0.27

Currency futures (US\$/₹, NSE)

Contracts	LTP	chng (%)	OI	Vol	chng (%)	
					OI	Vol
June	64.59	0.03	846217	880497	2.14	27.02
July	64.83	0.00	618298	162352	0.14	1.11
June-July	-0.24	-	-	718145	-	81.56
July-August	-0.25	-	-	151699	-	93.44

Global Indices

Indices	Close	Prev close	% change
Dow Jones	21410.03	21467.14	-0.27
Nasdaq	5782.394	5726.311	0.98
FTSE	7447.79	7472.71	-0.33
DAX	12774.26	12814.79	-0.32
Hang Sang	25701.97	25694.58	0.03
Nikkei	20113.9	20138.79	-0.12
SGX Nifty	9667	9662	0.05

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1246.48	1243.01	0.28
Copper	260.2	255.45	1.86
Brent crude	44.82	46.02	-2.61

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds rose for a third day, as investors stepped up purchases in expectation that the Monetary Policy Committee's June meeting minutes may signal rate cut
- The Gov benchmark 6.79% 2027 bond yield fell to 6.43% from 6.45% in the previous session
- Yield on the US 10-year was unchanged at 2.16% in the previous session

Forex (US\$/INR)

- The rupee covered intraday losses due to upbeat domestic equities and expectations of foreign fund inflows offset US\$ strength
- The US\$ witnessed profit booking against major currencies as investors doubted the Fed's ability to raise interest rates in the face of weak inflation and recent sluggish employment data. Overall, the US\$ could remain in a range as the dollar index has near term supports at 96-level. Political concerns surrounding the US President also weighed on US\$

Equity

- Equity benchmarks settled lower for a second straight session as a renewed slump in crude oil prices to a seven-month low weighed on sentiments while investors also decoded the impact of US index provider MSCI's decision to add mainland Chinese stocks to the MSCI Emerging Market index
- The Sensex settled at 31283, down just 13 points while the Nifty shut shop at 9633, down 19 points
- Broader markets fared relatively better as the BSE midcap and small cap indices posted nominal gains of 0.04% and 0.11%, respectively. The overall market breadth was neutral, highlighting the range bound market scenario

Commodities Market

- Crude oil fell sharply on a larger-than-expected decline in US inventory as rising supplies in Libya and recent upheaval in Saudi Arabian royal family weighed on oil prices. Government data showed US weekly stocks decline by 2.45 mb last week
- Gold prices gained mildly as US\$ weakness aided buying in non-interest paying asset. Also, political concerns surrounding the US President would support safe haven buying

Strategy

- In the currency futures market, the most traded dollar-rupee June contract on the NSE ended at 64.59. The June contract open interest increased 2.14% from the previous day
- July contract open interest increased 0.14% 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 64.65 - 64.75	Market Lot: US\$1000
Target: 64.40 / 64.30	Stop Loss: 64.85
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	4312.19	4606.90	-93.47
Debt	2083.27	1536.53	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)	64.62	64.50	64.43	64.69	64.81
US\$ - INR (July)	64.87	64.74	64.67	64.94	65.06
EUR - INR (June)	72.06	71.96	71.90	72.12	72.21
EUR - INR (July)	72.43	72.34	72.28	72.49	72.58
GBP - INR (June)	81.82	81.60	81.27	82.15	82.37
GBP - INR (July)	82.21	81.99	81.68	82.52	82.73
JPY - INR (June)	58.11	57.94	57.84	58.20	58.37
JPY - INR (July)	58.39	58.23	58.14	58.48	58.64

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
21-Jun-17	June	Sell	Sell future	64.67	64.30	64.82	100	Booked profits

(*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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