

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.85	6.82
US 10 year	2.25	2.24
Eur 10 year	0.19	0.19
UK 10 year	1.04	1.04
JPY 10 year	0.01	0.03

RBI reference rate

	Close		% change
	17-04-2017	13-04-2017	
USD/INR	64.41	64.32	0.14
EUR/INR	68.40	68.62	-0.31
GBP/INR	80.72	80.83	-0.13
YEN/INR	59.39	58.97	0.71

Spot

Spot	Close	Prev close	% change
Rupee	64.52	64.41	0.16
Dollar index	100.29	100.51	-0.22
Euro	1.0643	1.0618	0.24
British pound	1.2565	1.2523	0.34
Japanese Yen	108.91	108.64	0.25
Australian (\$)	0.7589	0.7579	0.13
Swiss Franc	1.0045	1.0055	-0.10

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
April	64.60	0.12	1227260	936204	-3.55	-26.17
May	64.88	0.12	715435	156828	0.14	-32.19
April-May	-0.28	-	-	779376	-	83.25
May-June	-0.28	-	-	139280	-	88.81

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20636.92	20453.25	0.90
Nasdaq	5399.196	5353.586	0.85
FTSE	7327.59	7348.99	-0.29
DAX	12109	12154.7	-0.38
Hang Sang	24207	24261	-0.22
Nikkei	18402.04	18355.26	0.25
SGX Nifty	9155.5	9166.5	-0.12

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1284.71	1285.69	-0.08
Copper	259.6	257.05	0.99
Brent crude	55.36	55.89	-0.95

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds ended lower for a second day, after the central bank sold long-duration treasury bills and announced three more such auctions over the next four weeks to absorb excess cash from banks
- The benchmark 6.97% 2026 bond yield rose to 6.85% from 6.82% in the previous session
- Yield on the US 10-year rose mildly to 2.25% in the previous session

Forex (US\$/INR)

- The rupee pared early gains to end lower against the US\$, as dollar purchases by state-run banks and weak domestic equities wiped out gains stemmed from weak US\$
- The US\$ index fell further against major currencies as gains over JPY were offset by losses against the Euro and GBP. US\$JPY pair saw some profit booking as risk aversion subsided following lower offensive from the US over North Korea. GBP and Euro gained as a far right anti-Euro French political party saw some of its support dipping recently

Equity

- Equity benchmarks edged lower for a third consecutive session in a range bound trading session amid lack of global cues as most markets remained shut on account of Easter Monday
- The Sensex shed 47 points or 0.16% to settle at 29413 while the Nifty shut shop at 9139, down just 11 points or 0.13%
- Broader markets outperformed the benchmark in a lacklustre trading session as the BSE midcap and small cap indices rose 0.25% and 0.49%, respectively. As a result, the overall market breadth was neutral

Commodities Market

- Crude oil remains mildly supported ahead of US weekly oil inventory data. A Bloomberg survey shows oil stocks falling for a second week. Expectation is of 1.7 drawdown in oil inventories
- Gold remained in consolidation mode even seeing mild profit booking as geo-political risk subsided. Overall, we expect gold to remain supported due to rising inflation in advanced economies and increase in geo-political risk and trade uncertainties

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee April contract on the NSE ended at 64.60. The April contract open interest fell 3.55% from the previous day
- May contract open interest rose 0.14% from the previous day
- We expect the US\$ to find support at lower levels. Utilise downsides in the pair to go long on the US\$INR pair

Intra-day strategy

US\$INR April futures contract (NSE)	View: Bullish on US\$INR
Buy US\$INR in the range of 64.35 - 64.45	Market Lot: US\$1000
Target: 64.75/ 64.85	Stop Loss: 64.25
Support	Resistance
S1/ S2: 64.50 / 64.30	R1/R2: 64.80 / 65.00

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	3233.02	3545.28	-312.26
Debt	2180.08	412.55	1767.53

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 (Apr)	64.52	64.43	64.29	64.66	64.75
US\$ - INR (May)	64.80	64.71	64.57	64.94	65.03
EUR - INR (Apr)	68.64	68.51	68.29	68.85	68.98
EUR - INR (May)	69.04	68.92	68.71	69.25	69.36
GBP - INR (Apr)	80.97	80.84	80.63	81.19	81.31
GBP - INR (May)	81.38	81.27	81.06	81.60	81.71
JPY - INR (Apr)	59.57	59.49	59.37	59.69	59.77
JPY - INR (May)	59.88	59.79	59.65	60.02	60.10

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
17-Apr-17	April	Sell	Sell future	64.73	64.45	64.88	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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