

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.86	6.85
US 10 year	2.17	2.25
Eur 10 year	0.16	0.19
UK 10 year	1.01	1.04
JPY 10 year	0.01	0.01

RBI reference rate

	Close		% change
	18-04-2017	17-04-2017	
USD/INR	64.57	64.41	0.25
EUR/INR	68.74	68.40	0.49
GBP/INR	81.18	80.72	0.57
YEN/INR	59.22	59.39	-0.29

Spot

Spot	Close	Prev close	% change
Rupee	64.63	64.52	0.18
Dollar index	99.50	100.29	-0.79
Euro	1.073	1.0643	0.82
British pound	1.2841	1.2565	2.20
Japanese Yen	108.43	108.91	-0.44
Australian (\$)	0.756	0.7589	-0.38
Swiss Franc	0.9963	1.0045	-0.82

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
April	64.70	0.15	1145668	938845	-6.65	0.28
May	64.99	0.17	741085	156531	3.59	-0.19
April-May	-0.29	-	-	782314	-	83.33
May-June	-0.25	-	-	139112	-	88.87

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20523.28	20636.92	-0.55
Nasdaq	5391.656	5399.196	-0.14
FTSE	7147	7327	-2.45
DAX	12000	12109	-0.99
Hang Sang	23737.08	23924.54	-0.78
Nikkei	18401.08	18418.59	-0.10
SGX Nifty	9114	9117	-0.03

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1289.76	1284.71	0.39
Copper	252.9	259.6	-2.58
Brent crude	54.89	55.36	-0.85

Source: Reuters, Bloomberg, CdsI for above all exhibits

Research Analyst

Amit Gupta
amit.gup@icicisecurities.com

Gaurav Shah
gaurav.shah@icicisecurities.com

Debt market

- Government bonds ended little changed after the Indian Meteorological Department (IMD) predicted southwest monsoon rainfall would be normal this year
- The benchmark 6.97% 2026 bond yield rose to 6.86% from 6.85% in the previous session
- Yield on the US 10-year fell sharply to 2.17% from 2.25% in the previous session

Forex (US\$/INR)

- The rupee fell for a second day against the dollar in range bound trading, dragged by weak domestic equities and US\$ purchases by state-run banks for their importer clients
- The dollar index fell sharply against major currencies as sharp gains in the GBP and euro weighed on the US\$. The GBP gained almost 2.20% as the UK Prime Minister has called for snap general elections in June. The euro also gained tracking political developments in France. We expect the US\$ to remain subdued as US interest rate hike prospects could take a backseat amid a host of geo-political uncertainties

Equity

- Equity benchmarks settled lower for a fourth consecutive session after surrendering intraday gains amid intensified profit booking towards the second half of trade
- The Sensex fell 94 points or 0.32% to settle at 29319 while the Nifty was down 34 points or 0.37% to shut shop at 9105
- Broader markets also came under pressure as the BSE midcap and small cap indices underperformed the benchmarks by losing 0.63% and 0.74%, respectively. As a result, the overall market breadth turned weak with an A/D ratio of 1:1.6 on the BSE

Commodities Market

- Crude oil fell as weekly US inventory data due today is expected to rise by 1.4 mb as per Bloomberg survey. Rising shale oil supplies is weighing on any meaningful gains in crude oil
- Gold gained slightly in the previous session as selling in US\$ aided gains in non-interest paying asset. The US President's comments on strength in US\$ and backtracking from his campaign promise of terming China a currency manipulator has weighed on interest rate hike sentiment

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 6.65% from the previous day
- May contract open interest rose 3.59% 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 April futures contract (NSE)	View: Bearish on US\$/INR
Sell US\$/INR in the range of 64.80 - 64.90	Market Lot: US\$1000
Target: 64.65/ 64.55	Stop Loss: 65.00
Support	Resistance
S1/ S2: 64.60 / 64.40	R1/R2: 64.80 / 65.00

Source: Company, ICICIdirect.com Research

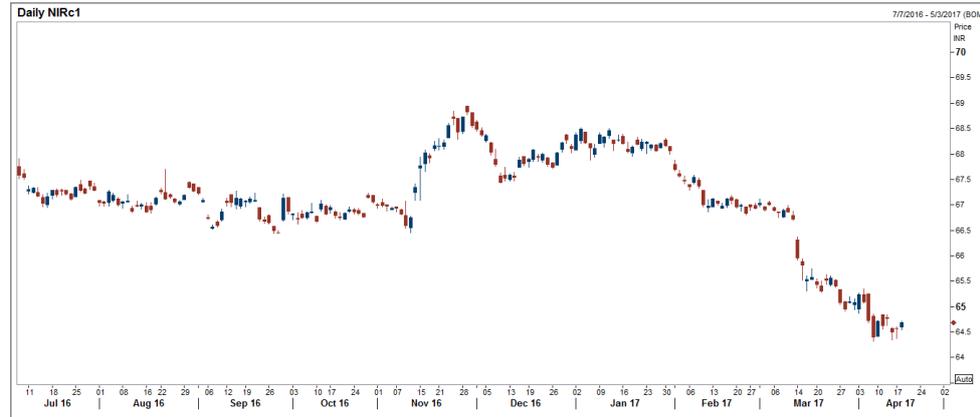
*Call initiation and update messages will be broadcast on iclick-2-gain"

FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹ crore)
Equity	1960.91	2028.18	-67.27
Debt	1898.45	418.41	1480.04

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)	64.65	64.58	64.47	64.75	64.82
US\$ - INR (May)	64.93	64.86	64.76	65.03	65.10
EUR - INR (Apr)	68.98	68.83	68.59	69.22	69.37
EUR - INR (May)	69.39	69.24	69.00	69.63	69.78
GBP - INR (Apr)	81.67	81.23	80.51	82.39	82.83
GBP - INR (May)	82.10	81.69	80.96	82.83	83.24
JPY - INR (Apr)	59.39	59.23	59.04	59.58	59.74
JPY - INR (May)	59.72	59.55	59.34	59.93	60.10

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
18-Apr-17	April USD/INR	Buy	Buy future	64.40	64.80	64.25	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



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICIdirect.com Research Desk,
ICICI Securities Limited,
1st Floor, Akruvi Trade Centre,
Road No 7, MIDC
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

Disclaimer

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities Ltd (I-Sec). The author may be holding a small number of shares/position in the above-referred companies as on date of release of this report. I-Sec may be holding a small number of shares/position in the above-referred companies as on date of release of this report. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This report may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. I-Sec and affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Actual results may differ materially from those set forth in projections. I-Sec may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject I-Sec and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.