

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.47	6.49
US 10 year	2.19	2.15
Eur 10 year	0.28	0.28
UK 10 year	1.03	1.02
JPY 10 year	0.06	0.06

RBI reference rate

	Close		% change
	19-06-2017	16-06-2017	
USD/INR	64.38	64.59	-0.32
EUR/INR	72.10	72.05	0.08
GBP/INR	82.21	82.51	-0.37
YEN/INR	57.98	58.05	-0.12

Spot

Spot	Close	Prev close	% change
Rupee	64.43	64.43	0.00
Dollar index	97.55	97.16	0.40
Euro	1.1149	1.1198	-0.44
British pound	1.2737	1.2783	-0.36
Japanese Yen	111.53	110.88	0.59
Australian (\$)	0.76	0.7621	-0.28
Swiss Franc	0.9757	0.9733	0.25

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
June	64.50	-0.03	836817	554488	-7.15	-52.41
July	64.75	-0.02	565832	123443	7.91	-36.40
June-July	-0.25	-	-	431045	-	77.74
July-August	-0.27	-	-	70962	-	57.49

Global Indices

Indices	Close	Prev close	% change
Dow Jones	21528.99	21384.28	0.68
Nasdaq	5772.223	5681.479	1.60
FTSE	7523.81	7463.54	0.81
DAX	12888.95	12752.73	1.07
Hang Sang	25903.94	25924.55	-0.08
Nikkei	20285.66	20067.75	1.09
SGX Nifty	9675	9674.5	0.01

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1243.84	1253.73	-0.79
Copper	258.95	256.4	0.99
Brent crude	46.91	47.37	-0.97

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds rose for the first time in three sessions, as low US treasury yields supported emerging-market debt due to attractive yield
- The Gov benchmark 6.79% 2027 bond yield fell to 6.47% from 6.49% in the previous session
- Yield on the US 10-year declined to 2.19% from 2.15% in the previous session

Forex (US\$/INR)

- The rupee remained in a narrow range as strong gains in domestic equities help offset interest rate hike sentiment in the US\$
- The US\$ rose against major currencies gauged from a rise in the dollar index. US\$ gained sharply against Japanese Yen underpinned by recent Fed interest rate hike while BoJ vowed to maintain easy monetary policy. The euro continue to struggle near resistance at the 1.12 area in the backdrop of Brexit negotiations

Equity

- Equity benchmarks recouped most of the previous week's losses on Monday led by strength in banking shares after the RBI asked banks to start bankruptcy process against 12 large loan defaulters
- The Sensex rose 255 points or 0.82% to 31311 while the Nifty gained 69 points or 0.72% to 9657
- Broader markets underperformed the benchmark as the BSE midcap index was up just 0.7% while the small cap index was down 0.08%. As a result, the market breadth was tilted in favour of declines with an A/D ratio of 1:1.23 on the BSE

Commodities Market

- Crude oil fell further as rising output from Libya counter expectations of drop in US oil stocks. Bloomberg survey shows US weekly stocks declining by 1.2 mb ahead of government oil data
- Gold prices witnessed profit booking as rising US\$ is weighing on non-interest paying asset. Also, the hawkish stance maintained by the Fed would keep gold bulls on the edge as concerns surrounding the US President and on the European political landscape have subsided

Strategy

- In the currency futures market, the most traded dollar-rupee June contract on the NSE ended at 64.50. The June contract open interest declined 7.15% from the previous day
- July contract open interest increased 7.91% 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 64.58 - 64.68	Market Lot: US\$1000
Target: 64.30 / 64.20	Stop Loss: 64.78
Support	Resistance
S1/ S2: 64.45 / 64.25	R1/R2: 64.70 / 64.80

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	7994.39	8688.50	-93.47
Debt	2384.50	1351.01	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)	64.47	64.42	64.35	64.54	64.59
US\$ - INR (July)	64.71	64.67	64.60	64.78	64.82
EUR - INR (June)	72.29	72.22	72.10	72.40	72.48
EUR - INR (July)	72.66	72.60	72.48	72.78	72.84
GBP - INR (June)	82.51	82.38	82.18	82.70	82.83
GBP - INR (July)	82.88	82.77	82.58	83.07	83.18
JPY - INR (June)	58.10	58.03	57.93	58.20	58.27
JPY - INR (July)	58.40	58.33	58.24	58.49	58.56

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
19-Jun-17	June	Sell	Sell future	64.60	64.75	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 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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