

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.46	6.46
US 10 year	2.34	2.32
Eur 10 year	0.60	0.58
UK 10 year	1.30	1.26
JPY 10 year	0.08	0.09

RBI reference rate

	Close		% change
	13-07-2017	12-07-2017	
USD/INR	64.44	64.50	-0.09
EUR/INR	73.79	73.97	-0.25
GBP/INR	83.25	82.69	0.67
YEN/INR	57.02	56.85	0.30

Spot

Spot	Close	Prev close	% change
Rupee	64.45	64.54	-0.15
Dollar index	95.73	95.76	-0.03
Euro	1.1398	1.1412	-0.12
British pound	1.2939	1.2885	0.42
Japanese Yen	113.28	113.17	0.10
Australian (\$)	0.7731	0.7678	0.69
Swiss Franc	0.9672	0.9654	0.19

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
July	64.55	-0.20	980791	807442	2.92	-8.18
August	64.79	-0.20	470500	214725	26.66	12.87
July-Aug	-0.24	-	-	592717	-	73.41
Aug-Sep	-0.24	-	-	115306	-	53.70

Global Indices

Indices	Close	Prev close	% change
Dow Jones	21553.09	21532.14	0.10
Nasdaq	5793.356	5778.95	0.25
FTSE	7413.44	7416.93	-0.05
DAX	12641.33	12626.58	0.12
Hang Sang	26348.06	26346.17	0.01
Nikkei	20138.55	20099.81	0.19
SGX Nifty	9907.5	9894	0.31

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1217.58	1220.51	-0.24
Copper	265.45	267.7	-0.84
Brent crude	48.42	47.74	1.42

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds ended higher for a second day, after record-low retail inflation in June increased expectations of an interest rate cut in the August monetary policy review meeting
- The GoI benchmark 6.79% 2027 bond yield was steady at 6.46% from the previous session
- Yield on the US 10-year rose to 2.34% from 2.32% in the previous session

Forex (US\$/INR)

- The rupee rose to a more-than-three-week high against the US\$, after the US Federal Reserve Chair Janet Yellen's comments signalled a gradual pace of rate increase while domestic June retail inflation fell to 1.54%
- The US\$ traded on a mixed note against major currencies ahead of US June CPI data and central bank meeting lined up next week. Dollar remain under pressure post US Fed chief Janet Yellen's two-day testimony. Fed's concerns on inflation growth raised the risk for US interest rate hike outlook

Equity

- Equity benchmarks extended gains for a fourth session in a row following firm global cues and after consumer inflation hit its lowest level in five years
- The Sensex was up 233 points or 0.7% to 32037 while the Nifty jumped 75 points or 0.77% to settle at 9891
- Broader markets were lagging benchmarks as the market breadth was almost neutral. However, the BSE midcap and small cap indices inched up 0.4% each. Number of declines on the BSE marginally outnumbered advances

Commodities Market

- Crude oil continued to post gains on the back of a soft US\$ and recent drawdown in US oil inventories. Opec oil supply has been at 32.4mb, breaching its daily supply curbs as rising US oil supplies have been a threat to Opec's oil market share
- Gold remained in a narrow range ahead of US inflation data and a host of central bank meetings next week. Weak inflation in the US and waning risk-off sentiment has weighed on gold's inflation hedge as well as safe haven appeal

Strategy

- In the currency futures market, the most traded dollar-rupee July contract on the NSE ended at 64.55. The July contract open interest increased 2.92% from the previous day
- August contract open interest increased 26.66% in the previous session
- We expect the US dollar 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 July futures contract (NSE)	View: Bearish on US\$INR
Sell US\$INR in the range of 64.53 - 64.63	Market Lot: US\$1000
Target: 64.30 / 64.20	Stop Loss: 64.73
Support	Resistance
S1/ S2: 64.40 / 64.30	R1/R2: 64.65 / 64.75

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	4631.63	4084.63	547.00
Debt	2640.25	690.10	1950.15

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 (July)	64.52	64.47	64.39	64.60	64.66
US\$ - INR (August)	64.60	64.37	63.94	65.03	65.26
EUR - INR (July)	73.66	73.35	73.14	73.87	74.18
EUR - INR (August)	74.06	73.75	73.56	74.25	74.55
GBP - INR (July)	83.44	83.24	83.03	83.65	83.85
GBP - INR (August)	83.84	83.66	83.47	84.03	84.21
JPY - INR (July)	57.15	57.07	57.00	57.22	57.30
JPY - INR (August)	57.44	57.38	57.32	57.49	57.55

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
13-Jul-17	July	Sell	Sell future	64.55	64.35	64.70	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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