

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.46	6.44
US 10 year	2.27	2.25
Eur 10 year	0.49	0.49
UK 10 year	1.24	1.21
JPY 10 year	0.08	0.08

RBI reference rate

	Close		% change
	02-08-2017	01-08-2017	
USD/INR	64.07	64.07	0.00
EUR/INR	75.75	75.74	0.01
GBP/INR	84.64	84.62	0.02
YEN/INR	57.86	58.12	-0.45

Spot

Spot	Close	Prev close	% change
Rupee	63.70	64.08	-0.59
Dollar index	92.84	93.04	-0.22
Euro	1.1856	1.1802	0.46
British pound	1.3223	1.3203	0.15
Japanese Yen	110.72	110.36	0.33
Australian (\$)	0.7968	0.7969	-0.01
Swiss Franc	0.9709	0.9657	0.54

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
August	63.88	-0.64	1706981	1762659	7.07	112.41
September	64.11	-0.64	429403	267564	7.86	88.30
Aug-Sep	-0.23	-	-	1495095	-	84.82
Sep-Oct	-0.27	-	-	215843	-	80.67

Global Indices

Indices	Close	Prev close	% change
Dow Jones	22016.24	21963.92	0.24
Nasdaq	5914.23	5895.171	0.32
FTSE	7411.43	7423.66	-0.16
DAX	12181.48	12251.29	-0.57
Hang Sang	27607.38	27540.23	-0.24
Nikkei	20080.04	19985.79	-0.38
SGX Nifty	10087.5	10157	0.31

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1266.65	1268.76	-0.17
Copper	288.45	288.1	0.12
Brent crude	52.36	51.78	1.12

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds fell as the Monetary Policy Committee retained its neutral stance and highlighted chances of inflation spiking in months ahead, after cutting key policy rate by 25 basis points as expected.
- The Gov benchmark 6.79% 2027 bond yield rose to 6.46% from 6.44% in the previous session
- Yield on the US 10-year rose to 2.27% from 2.25% in the previous session

Forex (US\$/INR)

- The rupee rose to an over two-year high against the US\$ even as the central bank expectedly slashed the key interest rate by a quarter-percentage-point while reiterating a "neutral" policy stance
- The US\$ fell against major currencies even as US ADP Employment rolls came in at 178000 against previously 158000. Japanese Yen witnessed profit booking as divergent monetary path would eventually cap sharp JPY gains. British pound will remain in focus ahead of BoE monetary meeting today in the backdrop slide in inflation growth in recent months

Equity

- Equity benchmarks snapped their two day winning streak and settled lower on Wednesday after the RBI cut policy rate by 25 basis points which was in line with street estimates
- The Sensex lost 98 points or 0.30% to 32476 while the Nifty was down 33 points or 0.33% to 10081
- Broader markets also settled marginally lower as the BSE midcap and small cap indices eased 0.30% and 0.07%, respectively. As a result, the overall market breadth remained negative for fifth consecutive session

Commodities Market

- Crude oil rose mildly as fall in US inventories along with soft US\$ supported prices. However, huge US stocks would cap sharp gains in oil
- Gold came under mild profit booking as rising expectations of major central banks turning hawkish earlier than expected weighed on non-interest paying asset

Strategy

- In the currency futures market, the most traded dollar-rupee August contract on the NSE ended at 63.88. The August contract open interest increased 7.07% from the previous day
- September contract open interest increased 7.86% in the previous session
- We expect the US\$ to meet supply pressure at higher levels. Utilise upsides to go short on the US\$INR pair

Intra-day strategy

US\$INR August futures contract (NSE)	View: Bearish on US\$INR
Sell US\$INR in the range of 63.95 - 64.05	Market Lot: US\$1000
Target: 63.75 / 63.65	Stop Loss: 64.15
Support	Resistance
S1/ S2: 63.75 / 63.55	R1/R2: 64.00 / 64.20

Source: Company, ICICIdirect.com Research

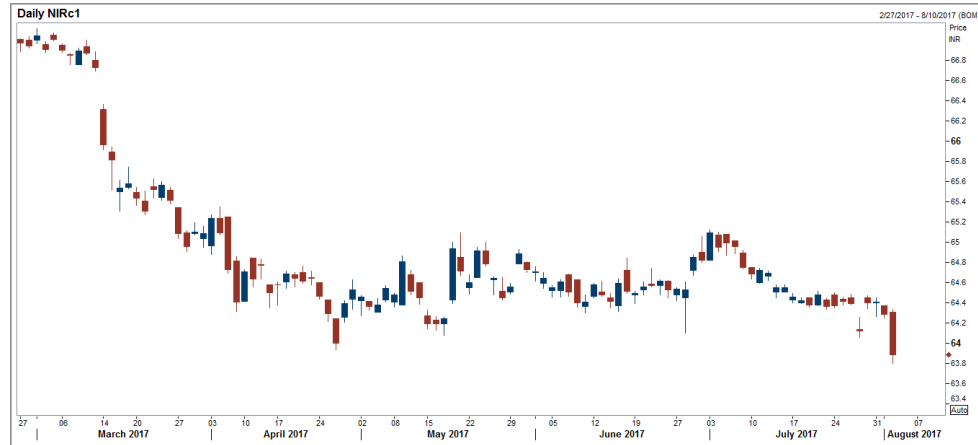
*Call initiation and update messages will be broadcast on iclick-2-gain"

FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹ crore)
Equity	4579.68	5499.50	-919.82
Debt	3249.80	2005.38	1244.42

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 (August)	64.00	63.66	63.46	64.19	64.53
US\$ - INR (September)	64.23	63.89	63.69	64.43	64.77
EUR - INR (August)	75.78	75.43	75.24	75.98	76.33
EUR - INR (September)	76.17	75.83	75.64	76.36	76.70
GBP - INR (August)	84.68	84.37	84.18	84.86	85.18
GBP - INR (September)	85.07	84.76	84.59	85.24	85.55
JPY - INR (August)	57.87	57.53	57.34	58.07	58.41
JPY - INR (September)	58.16	57.85	57.67	58.34	58.65

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
2-Aug-17	August	Sell	Sell future	64.42	64.15	64.57	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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