

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.43	6.46
US 10 year	2.22	2.27
Eur 10 year	0.45	0.49
UK 10 year	1.15	1.24
JPY 10 year	0.07	0.08

RBI reference rate

	Close		% change
	03-08-2017	02-08-2017	
USD/INR	63.63	64.07	-0.68
EUR/INR	75.39	75.75	-0.47
GBP/INR	84.16	84.64	-0.57
YEN/INR	57.53	57.86	-0.57

Spot

Spot	Close	Prev close	% change
Rupee	63.69	63.70	-0.02
Dollar index	92.84	92.84	0.00
Euro	1.187	1.1856	0.12
British pound	1.3138	1.3223	-0.64
Japanese Yen	110.05	110.72	-0.61
Australian (\$)	0.795	0.7968	-0.23
Swiss Franc	0.9686	0.9709	-0.24

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
August	63.88	0.00	1702262	820476	-0.28	-53.45
September	64.10	-0.02	452024	121010	5.27	-54.77
Aug-Sep	-0.22	-	-	699466	-	85.25
Sep-Oct	-0.25	-	-	68125	-	56.30

Global Indices

Indices	Close	Prev close	% change
Dow Jones	22026.1	22016.24	0.04
Nasdaq	5891.197	5914.23	-0.39
FTSE	7474.77	7411.43	0.85
DAX	12154.72	12181.48	-0.22
Hang Sang	27554.19	27531.01	0.08
Nikkei	19956.58	20029.26	-0.36
SGX Nifty	10038.5	10042	0.31

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1268.6	1266.65	0.15
Copper	287.8	288.45	-0.23
Brent crude	52.01	52.36	-0.67

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds rose, with the benchmark note ending at more-than-a-week high, as investors bought debt amid rising expectations on a further drop in yields
- The GoI benchmark 6.79% 2027 bond yield declined to 6.43% from 6.46% in the previous session
- Yield on the US 10-year declined to 2.22% from 2.27% in the previous session

Forex (US\$/INR)

- The rupee was little changed, as intermittent dollar purchases by state-run lenders, likely on behalf of the central bank, offset gains triggered by exporters' sales of a generally weak greenback
- The US\$ remained unchanged against major currencies as losses against Euro and Japanese Yen were offset by gains over British Pound. GBP fell post the BoE monetary policy meeting as absence of any rate hike rhetoric led to profit booking from recent gains. The euro continues to trend higher benefitting from a weak US\$. Today's US July payrolls data is significant in the backdrop of a recent dollar decline

Equity

- Equity benchmarks retreated from life-time highs amid intensified profit booking across recently run-up stocks from the rate sensitive space
- The Sensex fell 238 points or 0.74% to 32237 while the Nifty lost 67 points or 0.67% to 10013
- Broader markets also edged lower in line with benchmarks as the BSE midcap and small cap indices fell 0.50% and 0.95%, respectively. As a result, overall market breadth was weak with A/D ratio of 1:2.2 on the BSE

Commodities Market

- Crude oil pared gains as rising US oil supply continues to undermine Opec led efforts to contain global supply glut. Opec production is also at 2017 highs on account of rising supplies from Libya
- Gold gained on mild buying, remaining overall in a range ahead of US employment data today. Gold could continue to make minor gains amid declining expectations of faster pace of interest rate hikes in US

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 declined 0.28% from the previous day
- September contract open interest increased 5.27% 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 63.90 - 64.00	Market Lot: US\$1000
Target: 63.70 / 63.60	Stop Loss: 64.10
Support	Resistance
S1/ S2: 63.75 / 63.55	R1/R2: 63.90 / 64.10

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	4106.42	3538.51	567.91
Debt	1532.36	494.34	1038.02

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)	63.86	63.77	63.65	63.97	64.06
US\$ - INR (September)	64.09	63.98	63.86	64.21	64.32
EUR - INR (August)	75.68	75.60	75.51	75.77	75.84
EUR - INR (September)	76.07	76.00	75.91	76.15	76.22
GBP - INR (August)	84.37	83.97	83.67	84.66	85.06
GBP - INR (September)	84.74	84.37	84.09	85.02	85.38
JPY - INR (August)	57.80	57.70	57.55	57.95	58.05
JPY - INR (September)	58.09	57.97	57.84	58.22	58.34

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
3-Aug-17	August	Sell	Sell future	64.00	63.70	64.15	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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