

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.47	6.46
US 10 year	2.25	2.26
Eur 10 year	0.43	0.47
UK 10 year	1.11	1.16
JPY 10 year	0.06	0.07

RBI reference rate

	Close		% change
	09-08-2017	08-08-2017	
USD/INR	63.75	63.74	0.02
EUR/INR	74.86	75.29	-0.57
GBP/INR	82.92	83.15	-0.27
YEN/INR	57.94	57.63	0.54

Spot

Spot	Close	Prev close	% change
Rupee	63.84	63.64	0.32
Dollar index	93.55	93.65	-0.11
Euro	1.1759	1.1752	0.06
British pound	1.3004	1.2992	0.09
Japanese Yen	110.07	110.32	-0.23
Australian (\$)	0.7888	0.7914	-0.33
Swiss Franc	0.9637	0.9742	-1.08

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
August	63.99	0.30	1315697	809437	-7.70	13.72
September	64.21	0.33	522134	78705	1.57	76.43
Aug-Sep	-0.22	-	-	730732	-	90.28
Sep-Oct	-0.25	-	-	64343	-	81.75

Global Indices

Indices	Close	Prev close	% change
Dow Jones	22048.7	22085.34	-0.17
Nasdaq	5919.392	5926.352	-0.12
FTSE	7498.06	7542.73	-0.59
DAX	12154	12292.05	-1.12
Hang Sang	27396.51	27757.09	-1.30
Nikkei	19734.54	19738.71	-0.02
SGX Nifty	9897.5	9917.5	0.31

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1277.3	1260.96	1.30
Copper	292.7	294.25	-0.53
Brent crude	52.7	52.14	1.07

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 fell as a rise in domestic yields on the back of geo-political risk escalation along with expectations of a rise in domestic inflation weighed on debt
- The Gov benchmark 6.79% 2027 bond yield rose to 6.47% in the previous session
- Yield on the US 10-year fell to 2.25% from 2.26% in the previous session

Forex (US\$/INR)

- The rupee weakened sharply against US\$ on the back of profit booking in domestic equities along with escalation in geo-political risk weighing on emerging currencies, including rupee
- US\$ fell against major currencies as gains over Euro were weighed by losses against Japanese Yen and British Pound. Rise in geo-political risks led to a spike in Japanese Yen, which could see short closure in Japanese Yen. Forex markets remain on the edge amid geo-political risks and US political concerns around the President

Equity

- Equity benchmarks extended losses for a second session in a row and slipped to a two-week low amid profit booking and weakness in global peers. The Sensex fell 259 points or 0.80% to 32014 while the Nifty slipped below 10000 mark to end at 9978, down 78 points or 0.78%
- Broader markets also took a beating as the BSE midcap and small cap indices fell over 1.20% each. As a result, the overall market breadth was negative with A/D ratio of 1:3.3 on the BSE

Commodities Market

- Crude oil posted gains as decline in US stocks amid Opec efforts to contain supply glut supported oil prices. US government data showed oil inventories declining by 6.5 mb, almost thrice the expectations
- Gold posted sharp gains of over 1.4% as safe haven demand rose post exchange of war rhetoric between US President and the North Korean leader. Gold is expected to remain supported on geo-political risks and lower-than-expected quantum of interest rate hike in the US

Strategy

- In the currency futures market, the most traded dollar-rupee August contract on the NSE ended at 63.99. The August contract open interest declined 7.70% from the previous day
- September contract open interest increased 1.57% 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

USSINR August futures contract (NSE)	View: Bearish on US\$INR
Sell US\$INR in the range of 64.00 - 64.10	Market Lot: US\$1000
Target: 63.85 / 63.75	Stop Loss: 64.20
Support	Resistance
S1/ S2: 63.90 / 63.80	R1/R2: 64.00 / 64.20

Source: Company, ICICIdirect.com Research

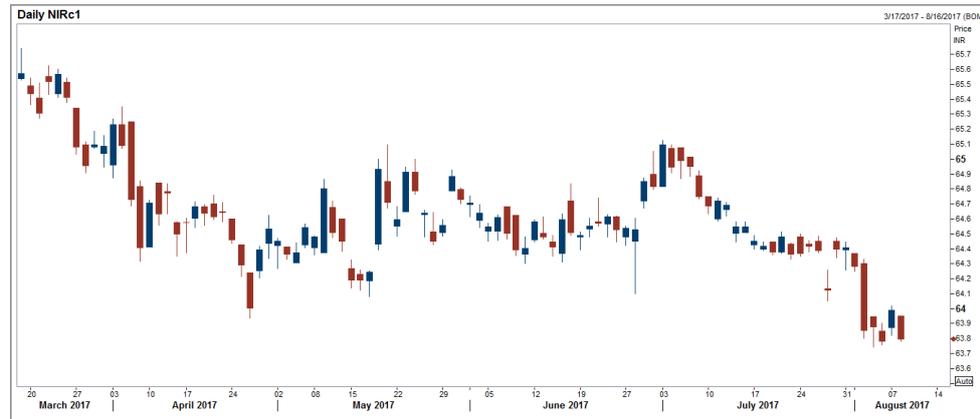
*Call initiation and update messages will be broadcast on iclick-2-gain"

FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹ crore)
Equity	6587.22	4689.20	1898.02
Debt	1906.64	975.73	930.91

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)	63.96	63.90	63.81	64.04	64.10
US\$ - INR (September)	64.17	64.12	64.04	64.26	64.31
EUR - INR (August)	75.14	75.04	74.91	75.27	75.37
EUR - INR (September)	75.53	75.46	75.38	75.61	75.68
GBP - INR (August)	83.20	83.08	82.90	83.38	83.50
GBP - INR (September)	83.57	83.45	83.29	83.73	83.85
JPY - INR (August)	58.26	58.15	57.98	58.43	58.53
JPY - INR (September)	58.53	58.43	58.27	58.69	58.79

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
9-Aug-17	August	Sell	Sell future	64.02	63.80	64.17	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, Akruiti Trade Centre,
Road No 7, MIDC
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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