

**Treasury yields**

	Closing yield%	Previous yield %
India 10 year	7.08	7.06
US 10 year	2.37	2.36
Eur 10 year	0.34	0.31
UK 10 year	1.29	1.23
JPY 10 year	0.04	0.04

**RBI reference rate**

	Close		% change
	12/4/2017	11/30/2017	
US\$INR	64.38	64.43	-0.08
EUR-INR	76.37	76.49	-0.15
GBP-INR	86.64	86.80	-0.19
JPY-INR	57.04	57.46	-0.73

**Spot**

	Close	Prev close	% change
Rupee	64.38	64.46	-0.14
Dollar index	93.19	92.89	0.33
Euro	1.1866	1.1896	-0.25
British pound	1.348	1.3477	0.02
Japanese Yen	112.41	112.17	0.21
Australian (\$)	0.7598	0.7613	-0.20
Swiss Franc	0.985	0.9762	0.90

**Currency futures (US\$/₹, NSE)**

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
December	64.55	-0.15	996116	1767162	-7.03	5.40
January	64.77	-0.12	276754	63737	-0.87	-46.22
Dec-Jan	-0.22	-	-	1703425	-	96.39
Jan-Feb	-0.21	-	-	58667	-	92.05

**Global Indices**

Indices	Close	Prev close	% change
Dow Jones	24290.05	24231.59	0.24
Nasdaq	6263.701	6337.874	-1.17
FTSE	7338.97	7300.49	0.53
DAX	13058.55	12861.49	1.53
Hang Sang	29138.28	29074.24	0.22
Nikkei	22707.16	22819.03	-0.49
SGX Nifty	10136	10130.5	0.10

\* Asian market as at 08.00 am

**Commodities**

	Close	Prev close	% change
Gold	1276.18	1280.62	-0.35
Copper	306.3	306.55	-0.08
Brent crude	62.45	63.73	-2.01

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 for a second session, as faster domestic economic growth in the second quarter hurt rate cut bets in the upcoming monetary review. Additionally, higher bond yields in US also pushed Indian bond yields to its highest level since September 2016
- The GoI benchmark 6.79% 2027 bond yield moved 2 bps higher to 7.08% from 7.06% in the previous session
- Yield on US 10-year benchmark bond moved higher to 2.37%, as tax reforms move to the next stage. Now the appointed tax reform committee will iron out differences and try to pass reforms in the coming two weeks

**Forex (US\$/INR)**

- The rupee fell on Monday against the US dollar in early trade on the back of brisk demand for US dollar from bankers and importers and dealers. However, a firm domestic equity market capped losses to some extent
- The dollar index held ground around 93. Investors were focused on the approval of a bill to overhaul the US tax system and reports of progress in the Brexit negotiations. This provided a lift to the dollar but it failed to capitalise on the gains. The dollar rose to a high of \$1.1828 against the Euro on Monday but has since eased back to around \$1.1850

**Equity**

- While the Nifty managed to end in the green, market internals remained weak. The Midcap index fell 0.09% while the small cap index fell 0.52%. On the BSE, 1,553 shares fell and 1,138 shares rose
- Shares of most cement manufacturers edged lower after Oil Minister Dharmendra Pradhan was quoted as saying the government is planning to curb the imports of petroleum coke, believed to be a major polluter. Shree Cement (down 1.69%), UltraTech Cement (down 1.51%) and Ambuja Cements (down 0.97%) edged lower. ACC rose 1.31%
- Most IT stocks rose. Infosys rose 2.8% after the company said its board has appointed Salil S Parekh as MD & CEO

**Commodities Market**

- Gold prices fell on Monday as the dollar rallied upon the passage of significant US tax reforms. Over the weekend, the Senate voted 51 to 49 in favour of the bill known as the Tax Cuts and Jobs Act
- Crude oil futures fell on Monday for the first time in three sessions, as a strong dollar dented commodity prices. Prices jumped to a two-year peak in November but have since levelled off despite Opec's recent deal with Russia to extend their supply quota plan through 2018

**Strategy**

- In the currency futures market, the near month dollar-rupee December contract on the NSE ended at 64.55. The December contract open interest decreased 7% from the previous day
- January contract open stayed almost unchanged in the previous session
- We expect the US\$ to meet support at lower levels. Utilise the downside in the pair to go long on the US\$INR

**Intra-day strategy**

US\$INR December futures contract (NSE)	View: Bullish on US\$INR
Buy US\$INR in the range of 64.35 - 64.45	Market Lot: US\$1000
Target: 64.80 / 64.90	Stop Loss: 64.00
Support	Resistance
S1/ S2: 64.20 / 64.00	R1/R2: 64.70 / 64.90

Source: Company, ICICIdirect.com Research

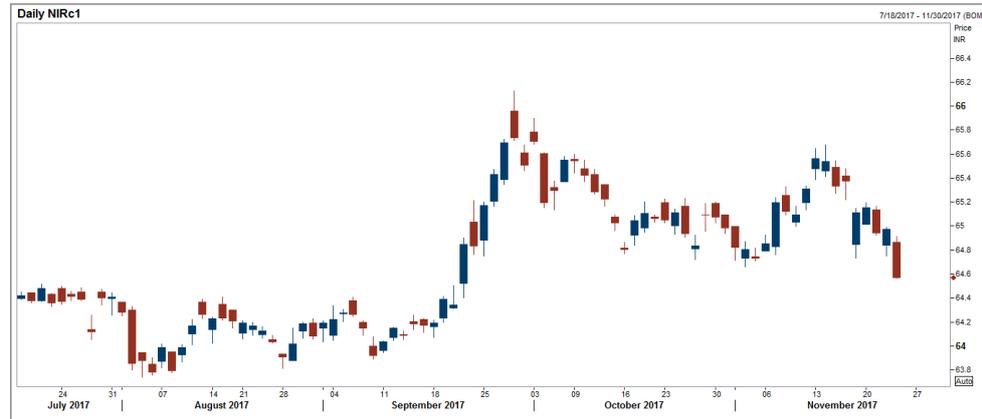
\*Call initiation and update messages will be broadcast on iclick-2-gain"

### FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹crore)
Equity	20704.00	21307.00	-603.00
Debt	2181.00	2374.00	-193.00

Source: SEBI, CDSL

### Exhibit 1: US\$ INR Currency Future (NSE)



Source: Reuters, ICICIdirect.com Research

### Exhibit 2: Pivot Levels (NSE)

Futures	Pivot	S 1	S 2	R 1	R 2
US\$ - INR (Dec)	64.59	64.43	64.30	64.71	64.87
US\$ - INR (Jan)	64.82	64.62	64.48	64.96	65.15
EUR - INR (Dec)	76.69	76.42	76.26	76.86	77.13
EUR - INR (Jan)	77.09	76.84	76.70	77.24	77.48
GBP - INR (Dec)	86.97	86.71	86.39	87.29	87.55
GBP - INR (Jan)	87.37	87.14	86.82	87.69	87.92
JPY - INR (Dec)	57.29	57.09	56.95	57.43	57.63
JPY - INR (Jan)	57.61	57.38	57.24	57.75	57.98

Source: NSE, ICICIdirect.com Research

### Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
4-Dec-17	December	Buy	Buy Future	64.40	64.80	64.10	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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