

Treasury yields

	Closing yield%	Previous yield %
India 10 year	7.06	7.08
US 10 year	2.35	2.37
Eur 10 year	0.32	0.34
UK 10 year	1.26	1.29
JPY 10 year	0.05	0.04

RBI reference rate

	Close		% change
	12/5/2017	12/4/2017	
US\$INR	64.38	64.38	-0.01
EUR-INR	76.38	76.37	0.00
GBP-INR	86.64	86.64	0.00
JPY-INR	57.15	57.04	0.19

Spot

Spot	Close	Prev close	% change
Rupee	64.39	64.38	0.02
Dollar index	93.38	93.19	0.20
Euro	1.1826	1.1866	-0.34
British pound	1.3443	1.348	-0.27
Japanese Yen	112.6	112.41	0.17
Australian (\$)	0.7607	0.7598	0.12
Swiss Franc	0.9874	0.985	0.24

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
December	64.55	0.00	922971	1668611	-7.34	-5.58
January	64.76	-0.02	283389	72130	2.40	13.17
Dec-Jan	-0.21	-	-	1596481	-	95.68
Jan-Feb	-0.19	-	-	63914	-	88.61

Global Indices

Indices	Close	Prev close	% change
Dow Jones	24180.64	24290.05	-0.45
Nasdaq	6265.111	6263.701	0.02
FTSE	7327.5	7338.97	-0.16
DAX	13048.54	13058.55	-0.08
Hang Sang	28414.46	28842.8	-1.02
Nikkei	22419.88	22622.38	-0.37
SGX Nifty	10110	10143.5	-0.17

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1265.77	1276.18	-0.82
Copper	292.05	306.3	-4.65
Brent crude	62.86	62.45	0.66

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds rose for the first time in three sessions, on value buying after prices fell to record lows a day before, even as investors await the Monetary Policy Committee's decision
- The Gov benchmark 6.79% 2027 bond yield moved 2 bps lower to 7.06% from 7.08% in the previous session
- Yield on the US 10-year benchmark bond declined to 2.35% from 2.37% amid the US President's tax cuts plan

Forex (US\$/INR)

- The rupee was little changed against the US\$, as oil and importers demand offset early gains from a broad weakness in the US currency while investors await monetary policy outcome ahead of crucial state elections
- The dollar index regained some of its previous losses supported by the US President's planned tax cuts reform. It has also led to increased expectations of faster pace of US interest rate hike. Euro and British Pound slugfest continue amid ongoing Britain's exit negotiations. Japanese Yen is expected to come under pressure due to policy divergence on further strength in US\$

Equity

- Domestic benchmarks settled marginally, lower on Tuesday after trimming intraday losses ahead of RBI's meeting outcome
- Muted global cues also weighed on sentiments. While benchmarks ended marginally lower, broader markets cap indices ended flattish for the session

Commodities Market

- Gold prices declined post the US President's tax cut plan. Anticipation of sweeping reforms have raised expectations on the pace of rate hike weighing on non-interest paying asset
- Crude oil futures declined as US industry data showed stocks rose by 9.2 mb last week. It could be the biggest gain since January 2016, ahead of official government data release

Strategy

- In the currency futures market, the near month dollar-rupee December contract on the NSE was unchanged at 64.55. The December contract open interest declined 7.34% from the previous day
- January contract US\$INR ended at 64.76. Open interest increased 2.40% in the previous session
- We expect the US\$ to find 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 64.45 - 64.51	Market Lot: US\$1000
Target: 64.75 / 64.85	Stop Loss: 64.33
Support	Resistance
S1/ S2: 64.50 / 64.30	R1/R2: 64.70 / 64.90

Source: Company, ICICIdirect.com Research

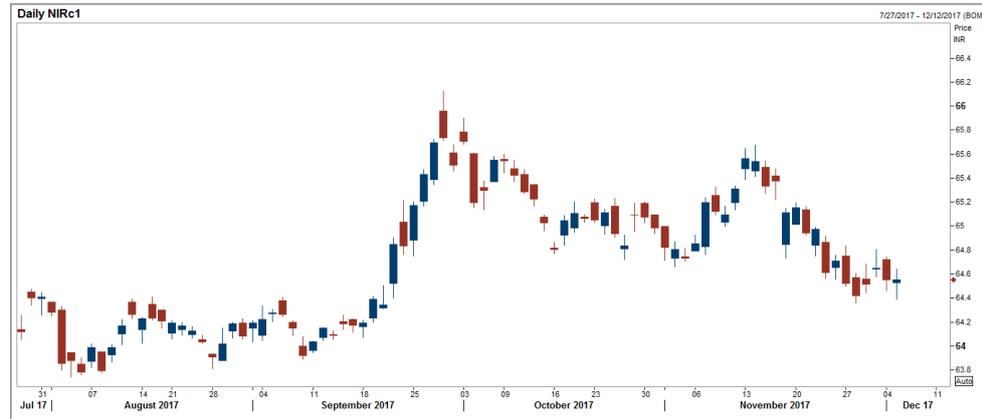
*Call initiation and update messages will be broadcast on iclick-2-gain"

FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹crore)
Equity	4259.38	4255.53	3.85
Debt	876.14	884.31	-8.17

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)	64.53	64.42	64.28	64.67	64.78
US\$ - INR (Jan)	64.74	64.64	64.50	64.88	64.99
EUR - INR (Dec)	76.65	76.58	76.46	76.76	76.83
EUR - INR (Jan)	77.06	77.00	76.90	77.17	77.23
GBP - INR (Dec)	86.68	86.40	86.14	86.95	87.23
GBP - INR (Jan)	87.09	86.76	86.48	87.38	87.71
JPY - INR (Dec)	57.43	57.33	57.19	57.57	57.66
JPY - INR (Jan)	57.72	57.63	57.48	57.87	57.96

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
5-Dec-17	December	Buy	Buy Future	64.40	64.85	64.00	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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