

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.65	6.65
US 10 year	2.34	2.36
Eur 10 year	0.26	0.26
UK 10 year	1.09	1.07
JPY 10 year	0.07	0.07

RBI reference rate

	Close		% change
	05-04-2017	03-04-2017	
USD/INR	65.04	64.91	0.21
EUR/INR	69.40	69.28	0.18
GBP/INR	80.88	81.43	-0.68
YEN/INR	58.76	58.23	0.91

Spot

Spot	Close	Prev close	% change
Rupee	64.88	65.03	-0.22
Dollar index	100.56	100.54	0.02
Euro	1.0663	1.0674	-0.10
British pound	1.2483	1.244	0.35
Japanese Yen	110.7	110.74	-0.04
Australian (\$)	0.757	0.7565	0.07
Swiss Franc	1.0049	1.002	0.29

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
April	65.08	-0.20	1652334	1047859	-7.04	15.36
May	65.36	-0.18	420383	157791	13.96	20.59
April-May	-0.28	-	-	890068	-	84.94
May-June	-0.28	-	-	146743	-	93.00

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20648.15	20689.24	-0.20
Nasdaq	5418.524	5440.407	-0.40
FTSE	7331.68	7321.82	0.13
DAX	12217.54	12282.34	-0.53
Hang Sang	24247.12	24400.8	-0.63
Nikkei	18608.43	18861.27	-1.34
SGX Nifty	9233.5	9287.5	-0.58

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1255.76	1256.28	-0.04
Copper	268	261.2	2.60
Brent crude	54.36	54.17	0.35

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 investors defer purchases ahead of the Monetary Policy Committee's interest rate decision due today. Although the consensus is for no change in interest rates, the liquidity stance would provide clues as the banking system remains awash with liquidity
- The benchmark 6.97% 2026 bond yield remain unchanged at 6.65% in the previous session
- Yield on the US 10-year fell to 2.34% from 2.36% in the previous session

Forex (US\$/INR)

- The rupee rose against the dollar, as foreign banks sold the US\$, helping erase losses caused by caution ahead of the domestic monetary policy decision today. Traders would be awaiting the RBI's stance on excess liquidity in the system
- The US dollar was almost unchanged against major currencies post US Fed minutes. Officials have toned down the stance for a gradual reduction in Fed balance sheet against an abrupt halt. The Japanese Yen gained post Fed minutes. We expect the pair to see some further selling as the pair remains highly immune to the US rate hike trajectory

Equity

- Equity benchmarks extended their winning streak for a sixth consecutive session amid consolidation with a positive bias ahead of the RBI's policy meet on Thursday
- The Sensex hit the 30,000 mark for the first time in two years before closing off the high at 29974, up 64 points or 0.21% while the Nifty hit fresh life-time high of 9273 before settling at 9265, up 27 points or 0.30%
- Broader markets continued to outperform the benchmark as the BSE midcap and small cap indices rose 0.46% and 1.12%, respectively. As a result, the overall market breadth was strong with an A/D ratio of 2.14:1 on the BSE

Commodities Market

- Crude oil remains trapped in a range as rising US supplies are being countered by optimism over supply curbs extension talks for six months by Opec and other members
- Gold continue to meet slight supply pressure at present levels. US interest rate hike pace remains the important catalyst for gold in the near term. We expect gold to remain supported due to rising inflation in developed economies along with some weakness in the US\$

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee April contract on the NSE ended at 65.08. The April contract open interest fell 7.04% from the previous day
- May contract open interest rose 13.96% from the previous day
- We expect the US\$ to find supports at lower levels. Utilise downsides in the pair to go long on the US\$INR pair

Intra-day strategy

US\$INR April futures contract (NSE)	View: Bullish on US\$INR
Buy US\$INR in the range of 65.05 - 65.15	Market Lot: US\$1000
Target: 65.35 / 65.55	Stop Loss: 64.98
Support	Resistance
S1/ S2: 65.05 / 64.90	R1/R2: 65.33 / 65.50

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	3647.90	3063.50	584.40
Debt	6054.57	639.45	5415.12

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 (Apr)	65.17	64.99	64.89	65.27	65.45
US\$ - INR (May)	65.45	65.28	65.18	65.55	65.73
EUR - INR (Apr)	69.63	69.41	69.28	69.76	69.99
EUR - INR (May)	69.99	69.78	69.65	70.12	70.33
GBP - INR (Apr)	81.26	81.09	80.87	81.48	81.65
GBP - INR (May)	81.64	81.48	81.26	81.86	82.02
JPY - INR (Apr)	58.90	58.64	58.50	59.04	59.30
JPY - INR (May)	59.18	58.93	58.79	59.32	59.57

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
5-Apr-17	April	Buy	Buy future	65.16	65.46	65.07	-100	Exit in loss

(*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

Disclaimer

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities Ltd (I-Sec). The author may be holding a small number of shares/position in the above-referred companies as on date of release of this report. I-Sec may be holding a small number of shares/position in the above-referred companies as on date of release of this report. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This report may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. I-Sec and affiliates accept no liabilities for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Actual results may differ materially from those set forth in projections. I-Sec may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject I-Sec and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.