

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.45	6.46
US 10 year	2.27	2.26
Eur 10 year	0.54	0.55
UK 10 year	1.19	1.21
JPY 10 year	0.08	0.07

RBI reference rate

	Close		% change
	19-07-2017	18-07-2017	
USD/INR	64.32	64.33	-0.01
EUR/INR	74.23	74.15	0.11
GBP/INR	83.86	84.29	-0.52
YEN/INR	57.43	57.39	0.07

Spot

Spot	Close	Prev close	% change
Rupee	64.28	64.33	-0.08
Dollar index	94.78	94.60	0.18
Euro	1.1515	1.1554	-0.34
British pound	1.3022	1.304	-0.14
Japanese Yen	111.97	112.07	-0.09
Australian (\$)	0.7952	0.7916	0.45
Swiss Franc	0.9556	0.9548	0.08

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
July	64.37	-0.06	1012401	471076	-3.46	-17.22
August	64.61	-0.08	665935	100664	7.28	-40.09
July-Aug	-0.24	-	-	370412	-	78.63
Aug-Sep	-0.25	-	-	94120	-	93.50

Global Indices

Indices	Close	Prev close	% change
Dow Jones	21640.75	21574.73	0.31
Nasdaq	5916.162	5880.095	0.61
FTSE	7430.91	7390.22	0.55
DAX	12452.05	12430.39	0.17
Hang Sang	26682.79	26672.16	0.04
Nikkei	20095.13	20020.86	0.37
SGX Nifty	9919.5	9927.5	0.31

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1241.25	1242.47	-0.10
Copper	270.3	272.35	-0.75
Brent crude	49.7	48.84	1.76

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 rose, as hopes of a rate cut by the Monetary Policy Committee next month outweighed concerns on fresh supply of debt
- The GoI benchmark 6.79% 2027 bond yield declined to 6.45% from 6.46% in the previous session
- Yield on the US 10-year rose to 2.27% from 2.26% in the previous session

Forex (US\$/INR)

- The rupee posted mild gains on the back of a weak US\$ against majors as well as recovery in domestic equities. Expectations of an interest rate cut next month is also supporting rupee amid robust foreign inflows
- The US\$ fell with the dollar index testing 11-months low as traders pull back their expectation of the US President's ability to rejuvenate reforms. A fresh setback to health care bill amid weak CPI data has weighed on Fed's interest rate hike trajectory. Euro and Japanese Yen continue to gain ahead of ECB and BoJ monetary policy review meetings tomorrow

Equity

- Equity benchmarks recouped most of the previous session's losses and ended higher on Wednesday as a weak US dollar combined with upbeat Chinese economic data lifted the emerging market sentiment
- The Sensex rose 244 points or 0.77% to 31955 while the Nifty gained 72 points or 0.74% to settle at 9899
- Broader markets outperformed the benchmark as the midcap and small cap indices gained ~1% each and climbed to new life-time highs. Overall market breadth was positive with A/D ratio of 1.76:1 on the BSE

Commodities Market

- Crude oil posted decent gains of almost 1.76% on the back of a drawdown in US oil inventories. Government stocks showed oil inventories declining by 4.73 mb against expectation of 3.64 mb
- Gold remained on the edge as major central bank meetings start today. Any signals on stimulus pull back or rate adjustment would lead to profit booking in non-interest paying asset

Strategy

- In the currency futures market, the most traded dollar-rupee July contract on the NSE ended at 64.37. The July contract open interest declined 3.46% from the previous day
- August contract open interest increased 7.28% in the previous session
- We expect the US\$ to meet supply pressure at higher levels. Utilise upsides in the pair to go short on the US\$INR pair

Intra-day strategy

US\$INR July futures contract (NSE)	View: Bearish on US\$INR
Sell US\$INR in the range of 64.44 - 64.54	Market Lot: US\$1000
Target: 64.18 / 64.08	Stop Loss: 64.63
Support	Resistance
S1/ S2: 64.40 / 64.20	R1/R2: 64.50 / 64.70

Source: Company, ICICIdirect.com Research

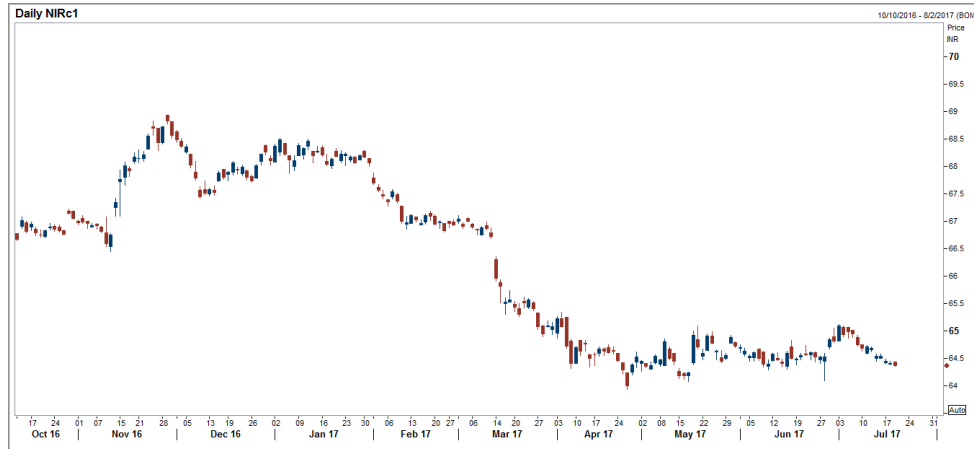
*Call initiation and update messages will be broadcast on iclick-2-gain"

FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹ crore)
Equity	6645.22	6269.37	375.85
Debt	1445.59	574.35	871.24

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 (July)	64.39	64.34	64.31	64.43	64.48
US\$ - INR (August)	64.63	64.59	64.56	64.66	64.70
EUR - INR (July)	74.27	74.17	74.10	74.34	74.43
EUR - INR (August)	74.67	74.58	74.51	74.74	74.83
GBP - INR (July)	83.95	83.84	83.73	84.06	84.17
GBP - INR (August)	84.31	84.19	84.06	84.44	84.57
JPY - INR (July)	57.47	57.40	57.30	57.57	57.64
JPY - INR (August)	57.76	57.69	57.60	57.84	57.91

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
19-Jul-17	July	Sell	Sell future	64.50	64.25	64.65	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

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.