

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.93	6.87
US 10 year	2.45	2.39
Eur 10 year	0.28	0.21
UK 10 year	1.19	1.15
JPY 10 year	0.07	0.06

RBI reference rate

	Close		% change
	01-03-2017	28-02-2017	
USD/INR	66.85	66.74	0.17
EUR/INR	70.57	70.72	-0.20
GBP/INR	82.72	83.05	-0.41
YEN/INR	58.91	59.35	-0.74

Spot

Spot	Close	Prev close	% change
Rupee	66.83	66.69	0.20
Dollar index	101.78	101.12	0.65
Euro	1.0547	1.0576	-0.27
British pound	1.2293	1.238	-0.70
Japanese Yen	113.73	112.77	0.85
Australian (\$)	0.7677	0.7657	0.26
Swiss Franc	1.0089	1.0058	0.31

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
March	67.04	0.16	1623129	838394	-1.69	52.80
April	67.31	0.16	354223	123123	16.05	43.74
March-April	-0.27	-	-	715271	-	85.31
April-May	-0.28	-	-	98078	-	79.66

Global Indices

Indices	Close	Prev close	% change
Dow Jones	21115.55	20812.24	1.46
Nasdaq	5390.989	5330.305	1.14
FTSE	7382.9	7263.44	1.64
DAX	12067.19	11834.41	1.97
Hang Sang	23856.53	23776.49	0.34
Nikkei	19606.74	19393.54	1.10
SGX Nifty	9009.5	8975.5	0.38

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1249.69	1248.44	0.10
Copper	272.65	270.4	0.83
Brent crude	56.36	55.59	1.39

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 ended lower for the first time in four sessions, after US President Donald Trump's bid to stimulate growth of the US economy and comments from some Federal Reserve officials indicating near-term rate hike weighed on domestic debt
- The benchmark 6.97% 2026 bond yield rose to 6.93% from 6.87% in the previous trading day
- Yield on the US 10-year rose to 2.45% from 2.39% in the previous day

Forex (US\$/INR)

- The rupee ended lower for the first time in four sessions against the US\$, due to increasing US March rate hike prospects after several Fed officials warned against waiting too long to effect a hike
- The US\$ continued to post significant gains amongst major currencies amid rising scope for US interest rate hike this month with probability rising to almost 80%. Also, the US President's speech has fuelled the dollar rally on expectations of tax reforms and infrastructure spends

Equity

- Benchmark indices snapped their two day losing streak and ended on a strong note on Wednesday as better-than-expected December quarter GDP data boosted sentiments
- The Sensex rallied 241 points or 0.84% to 28984 while the Nifty rose 66 points or 0.75% to 8945
- Broader markets represented by the midcap and small cap indices hit fresh life-time highs in intraday trade on Wednesday before settling off the highs gaining 0.13% and 0.45%, respectively. The market breadth, indicating the overall health of the market, was strong with an A/D ration of 1.37:1 on the BSE

Commodities Market

- Crude oil prices continued in a narrow range as a supply tug-of-war between US weekly stocks rose almost 1.5 mb bl adding to the glut and raising US inventories to almost 520 mb
- Gold prices saw profit booking as expectations of FOMC moving this month to raise interest rates rose sharply on Fed official's hawkish comments. Gold being a non-interest paying safe haven asset would come under pressure in risk-on increasing holding cost regime

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee March contract on the NSE ended at 67.04. The March contract open interest fell 1.69% from the previous day
- April contract open interest rose 16.05% from the previous day
- We expect the US dollar to find supports at lower levels. Utilise downsides in the dollar to go long on the US\$INR pair

Intra-day strategy

US\$INR March futures contract (NSE)	View: Bullish on US\$INR
Buy US\$INR in the range of 66.90 - 67.00	Market Lot: US\$1000
Target: 67.35 / 67.55	Stop Loss: 66.80
Support	Resistance
S1/ S2: 66.95 / 66.75	R1/R2: 67.30 / 67.50

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	9316.93	8282.56	1034.37
Debt	1032.85	829.21	203.64

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 (Mar)	67.11	66.96	67.04	67.01	67.08
US\$ - INR (Apr)	67.39	67.24	67.32	67.29	67.36
EUR - INR (Mar)	70.94	70.74	70.78	71.14	71.22
EUR - INR (Apr)	71.32	71.13	71.17	71.50	71.57
GBP - INR (Mar)	83.13	82.68	82.87	83.44	83.55
GBP - INR (Apr)	83.52	83.11	83.22	83.81	83.91
JPY - INR (Mar)	59.50	58.96	59.02	59.79	59.87
JPY - INR (Apr)	59.60	59.29	59.33	60.08	60.15

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
1-Mar-17	March	Buy	Buy future	66.90	67.35	66.75	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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