

**Treasury yields**

	Closing yield%	Previous yield %
India 10 year	6.39	6.38
US 10 year	2.34	2.44
Eur 10 year	0.24	0.28
UK 10 year	1.29	1.34
JPY 10 year	0.06	0.07

**RBI reference rate**

	Close		% change
	1/5/2017	1/4/2017	
USD/INR	67.79	68.18	-0.57
EUR/INR	71.56	70.99	0.79
GBP/INR	83.71	83.53	0.21
YEN/INR	58.33	57.81	0.90

**Spot**

Spot	Close	Prev close	% change
Rupee	67.96	68.05	-0.12
Dollar index	101.52	102.70	-1.15
Euro	1.0607	1.0489	1.12
British pound	1.2419	1.2323	0.78
Japanese Yen	115.35	117.25	-1.62
Australian (\$)	0.7338	0.7283	0.76
Swiss Franc	1.0098	1.0209	-1.09

**Currency futures (US\$/₹, NSE)**

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
Jan	68.11	-0.14	1724160	1332475	6.01	48.20
Feb	68.32	-0.19	276426	175007	27.99	198.74
Jan-Feb	-0.20	-	-	1157468	-	86.87
Feb-Mar	-0.26	-	-	146837	-	83.90

**Global Indices**

Indices	Close	Prev close	% change
Dow Jones	19899.29	19942.16	-0.21
Nasdaq	4964.953	4937.205	0.56
FTSE	7195.31	7189.74	0.08
DAX	11584.94	11584.31	0.01
Hang Sang	22553.45	22456.69	0.43
Nikkei	19442.18	19520.69	-0.40
SGX Nifty	8311	8290	0.25

\* Asian market as at 08.00 am

**Commodities**

	Close	Prev close	% change
Gold	1180.12	1163.65	1.42
Copper	253.75	255.65	-0.74
Brent crude	56.89	56.46	0.76

Source: Reuters, Bloomberg, CdsI for above all exhibits

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**Debt market**

- Government bonds witnessed marginal selling after sharp buying was seen in the penultimate session ahead of weekly auction. However, we believe buying momentum will continue in bonds in anticipation of a rate cut by the central bank in February
- The benchmark 6.97% 2026 bond yield remained almost unchanged at 6.39% from 6.38% in the previous day
- Yield on the US 10-year yield declined sharply from 2.44% to 2.34% on Thursday

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

- The rupee rose to a near one-week high against the dollar, as banks sold the greenback and local shares edged higher, easing concerns about capital outflows
- The US\$ index slipped against a basket of major currencies after US inflation and unemployment data failed to reverse a downtrend that followed some of the biggest gains on record for China's yuan. US treasury debt yields slipped as investors grew uncertain about the incoming Trump administration

**Equity**

- Equity benchmarks surged to one month highs on Thursday tracking firm global cues and upbeat economic data
- The Sensex rose 245 points or 0.92% to 26878 while the Nifty rallied 83 point or 1.02% to shut shop at 8273
- Broader markets outpaced the benchmark for a fourth consecutive session as the BSE midcap and small cap indices rallied 1.32% and 0.98%, respectively. As a result, the overall market breadth was strong with an A/D ratio of 2.2:1 on the BSE

**Commodities Market**

- Market sentiment soured as crude oil prices declined following the Energy Information Administration's report that gasoline and distillate stockpiles swelled in the latest survey week
- Gold rose to its highest price in a month on Thursday as the dollar slipped further below a 14-year peak hit earlier this week

**US\$/INR derivatives strategy : Buy January Contract**

- In the currency futures market, the most traded dollar-rupee January contract on the NSE ended at 68.11. The January contract open interest rose by 6.01% from the previous day
- February contract open interest rose 27.99% from previous day
- We expect the US\$ to find resistance at higher levels. Utilise upsides in the dollar to go short on the US\$INR pair

**Intra-day strategy**

**US\$INR January futures contract (NSE)**

Sell US\$INR in the range of 68.00 - 68.10

Target: 67.75/ 67.65

Support

S1/ S2: 67.75/67.55

**View: Bearish on US\$INR**

Market Lot: US\$1000

Stop Loss: 68.30

Resistance

R1/R2:68.40/68.60

Source: Company, ICICIdirect.com Research

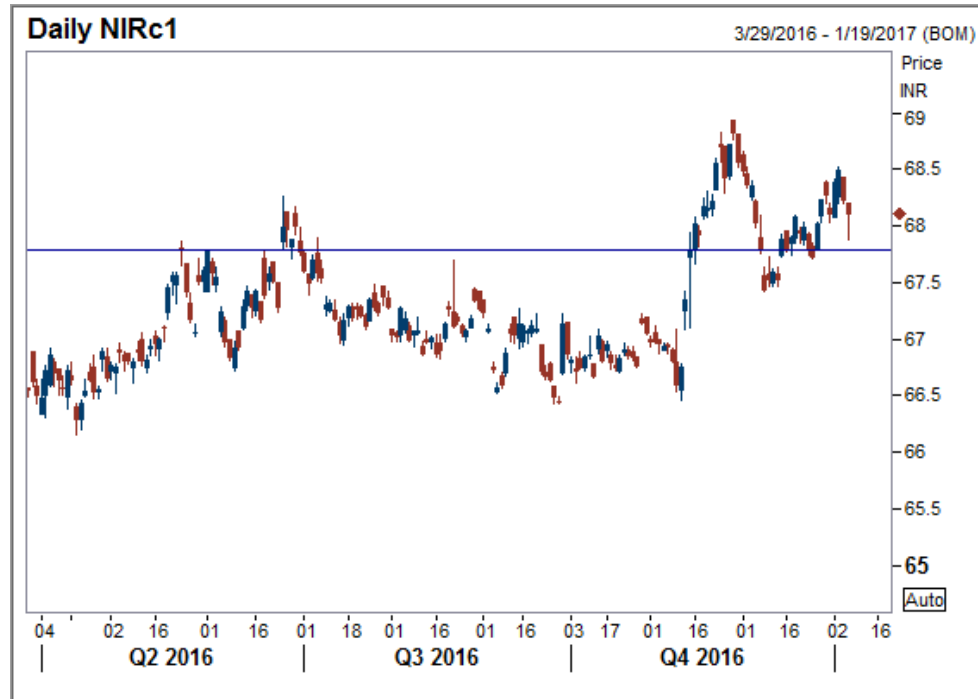
\*Call initiation and update messages will be broadcast on iclick-2-gain"

### FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹ crore)
Equity	3544.24	4226.17	-681.93
Debt	963.55	1440.27	-476.72

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 (Jan)	68.06	67.93	67.74	68.25	68.39
US\$ - INR (Feb)	68.26	68.16	68.00	68.41	68.51
EUR - INR (Jan)	71.64	71.41	71.28	71.77	72.00
EUR - INR (Feb)	71.92	71.69	71.58	72.03	72.26
GBP - INR (Jan)	83.83	83.63	83.37	84.09	84.30
GBP - INR (Feb)	84.19	83.99	83.75	84.43	84.64
JPY - INR (Jan)	58.57	58.32	58.16	58.72	58.97
JPY - INR (Feb)	58.82	58.57	58.34	59.05	59.30

Source: NSE, ICICIdirect.com Research

### Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
5-Jan-17	January	Sell	Sell fut	68.25	67.95	68.50	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 paise 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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