

**Treasury yields**

	Closing yield%	Previous yield %
India 10 year	6.86	6.74
US 10 year	2.39	2.34
Eur 10 year	0.31	0.30
UK 10 year	1.25	1.21
JPY 10 year	0.10	0.10

**RBI reference rate**

	Close		% change
	09-02-2017	08-02-2017	
USD/INR	67.01	67.31	-0.44
EUR/INR	71.54	71.88	-0.46
GBP/INR	83.82	84.17	-0.41
YEN/INR	59.71	59.94	-0.38

**Spot**

Spot	Close	Prev close	% change
Rupee	66.85	67.19	-0.50
Dollar index	100.65	100.28	0.37
Euro	1.0655	1.0698	-0.40
British pound	1.2497	1.2541	-0.35
Japanese Yen	113.25	111.93	1.18
Australian (\$)	0.7625	0.7645	-0.26
Swiss Franc	1.0017	0.9947	0.70

**Currency futures (US\$/₹, NSE)**

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
February	66.97	-0.55	1641786	1258329	7.75	30.89
March	67.28	-0.52	533309	164302	8.01	26.75
Feb-March	-0.31	-	-	1094027	-	86.94
March-April	-0.30	-	-	141881	-	86.35

**Global Indices**

Indices	Close	Prev close	% change
Dow Jones	20172.4	20054.34	0.59
Nasdaq	5212.156	5196.577	0.30
FTSE	7229.5	7188.82	0.57
DAX	11642.86	11543.38	0.86
Hang Sang	23654.73	23525.14	0.55
Nikkei	19342.16	18907.67	2.30
SGX Nifty	8828.5	8801	0.31

\* Asian market as at 08.00 am

**Commodities**

	Close	Prev close	% change
Gold	1228.36	1241.53	-1.06
Copper	265.35	266.65	-0.49
Brent crude	55.63	55.12	0.93

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 for a fifth session, after uncertainty on the inflation trajectory prompted the Monetary Policy Committee to shift its stance to neutral from accommodative, weighing on investor appetite
- The benchmark 6.97% 2026 bond yield rose to 6.86% from 6.74% in the previous day
- Yield on the US 10-year rose to 2.39% from 2.34% in the previous day

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

- The rupee posted a fresh three-month high against the dollar, as a recovery in domestic equities amid broad US\$ weakness aided an appreciation in the rupee
- The US\$ recovered against major currencies post the US President's statement on the tax system in the US. The President also hinted at a lower corporate tax, which supported US\$ and weighed on Japanese Yen as US\$JPY pair remains most vulnerable among major currencies

**Equity**

- Equity benchmarks eked out small gains in a highly volatile trading session on Thursday amid profit booking in banking and metal shares after the RBI's neutral policy stance
- The Sensex settled at 28329, up 39 points or 0.14% while the Nifty shut shop at 8778, up 9 points or 0.11%
- Broader markets fared a tad better than benchmarks as the BSE midcap and small cap indices edged higher by ~0.20% each. The overall market breath was flat

**Commodities Market**

- Oil prices were slightly higher as an Opec supply cut amid rising US oil stocks support price at lower levels. Opec's adherence to supply cuts is expected to end global crude oil glut earlier than expected
- Gold witnessed profit booking from the recent surge as a recovery in the US\$ against major currencies weighed on non-interest paying asset. The US President's statement on announcement on tax reforms supported the US\$ as Trump trades came back in focus

**US\$/INR derivatives strategy**

- In the currency futures market, the most traded dollar-rupee February contract on the NSE ended at 66.97. The February contract open interest rose 7.75% from the previous day
- March contract open interest rose 8.01% from previous day
- We expect the US dollar to meet supply pressure at higher levels. Utilise upsides in the dollar to go short on the US\$INR pair

**Intra-day strategy**

US\$INR February futures contract (NSE)	View: Bearish on US\$INR
Sell US\$INR in the range of 67.15 - 67.25	Market Lot: US\$1000
Target: 66.90 / 66.70	Stop Loss: 67.35
Support	Resistance
S1/ S2: 66.90 / 66.70	R1/R2: 67.35 / 67.55

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	4468.40	4656.60	-188.20
Debt	1560.80	2235.08	-674.28

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 (Feb)	67.09	66.89	66.77	67.21	67.41
US\$ - INR (Mar)	67.37	67.20	67.09	67.48	67.65
EUR - INR (Feb)	71.74	71.56	71.42	71.88	72.06
EUR - INR (Mar)	72.08	71.91	71.78	72.21	72.38
GBP - INR (Feb)	84.24	84.04	83.80	84.47	84.68
GBP - INR (mar)	84.60	84.39	84.17	84.81	85.02
JPY - INR (feb)	59.76	59.54	59.38	59.92	60.15
JPY - INR (mar)	60.34	60.19	60.11	60.41	60.56

Source: NSE, ICICIdirect.com Research

### Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
9-Feb-17	February	Sell	Sell future	67.40	67.05	67.55	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



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](mailto:research@icicidirect.com)

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