

**Treasury yields**

	Closing yield%	Previous yield %
India 10 year	6.88	6.83
US 10 year	2.47	2.44
Eur 10 year	0.37	0.33
UK 10 year	1.31	1.29
JPY 10 year	0.10	0.09

**RBI reference rate**

	Close		% change
	14-02-2017	13-02-2017	
USD/INR	66.94	66.97	-0.03
EUR/INR	71.09	71.17	-0.12
GBP/INR	83.98	83.76	0.26
YEN/INR	59.06	58.89	0.29

**Spot**

Spot	Close	Prev close	% change
Rupee	66.92	67.02	-0.14
Dollar index	101.25	100.96	0.29
Euro	1.0578	1.0598	-0.19
British pound	1.2468	1.2526	-0.46
Japanese Yen	114.26	113.74	0.46
Australian (\$)	0.7663	0.764	0.30
Swiss Franc	1.0062	1.0057	0.05

**Currency futures (US\$/₹, NSE)**

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
February	67.00	-0.18	1620949	666913	-2.49	-19.09
March	67.27	-0.18	657689	109804	4.74	-23.49
Feb-March	-0.27	-	-	557109	-	83.54
March-April	-0.29	-	-	95411	-	86.89

**Global Indices**

Indices	Close	Prev close	% change
Dow Jones	20504.4	20412.2	0.45
Nasdaq	5271.072	5256.815	0.27
FTSE	7268.56	7278.92	-0.14
DAX	11771.81	11774.43	-0.02
Hang Sang	23920.59	23703.01	0.92
Nikkei	19479.25	19238.98	1.25
SGX Nifty	8835.5	8821	0.16

\* Asian market as at 08.00 am

**Commodities**

	Close	Prev close	% change
Gold	1228.13	1225.26	0.23
Copper	273.7	278.3	-1.65
Brent crude	55.97	55.59	0.68

Source: Reuters, Bloomberg, Cdsl for above all exhibits

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**Debt market**

- Government bonds fell for a second day, as a sustained rise in core inflation raised doubts over the next rate cut by the central bank's monetary policy committee
- The benchmark 6.97% 2026 bond yield rose to 6.88% from 6.83% in the previous day
- Yield on the US 10-year rose to 2.47% from 2.44% in the previous day on hawkish fed comments

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

- The rupee rose for the first time in three sessions against the dollar, in line with most Asian currencies, amid caution ahead of Federal Reserve chief's congressional testimony that weighed on the US dollar during the Asian session
- The US\$ continued its gaining momentum against major currencies as the US Fed chair said every meeting would be a live meeting in her congressional testimony. She raised concerns on raising rates too slow, which market participants anticipated as a hawkish tone. Today's US CPI data would provide further cues on the rate hike trajectory

**Equity**

- Equity benchmarks snapped their four day winning streak to settle marginally lower as higher inflation pinned down the expectations of further rate cuts in the near term. The mood remained cautious ahead of US Federal Reserve Governor's semi-annual testimony
- The Sensex settled at 28339, down just 12 points while the Nifty shut shop at 8792, down 13 points or 0.14%
- Broader markets continued to drag amid profit booking in recently run up stocks as the midcap and small cap indices ended down ~0.55% each. As a result, the overall market breath was negative, with an A/D ratio of 1:1.7 on the BSE

**Commodities Market**

- Oil prices remain on the edge ahead of US weekly stocks data. While American Petroleum Institute (API) data showed further rise of over 9.94 mb last week. Strict compliance by Opec members over daily oil supply quota is been countered by rising US oil supplies
- Gold remained steady as stronger US\$ weighed on any sharp up moves in non interest paying asset. Faster pace of rate hikes in US would weigh on bullion while ETF investments at lower levels are supporting value buying in metal

**US\$/INR derivatives strategy**

- In the currency futures market, the most traded dollar-rupee February contract on the NSE ended at 67.00. The February contract open interest fell 2.49% from the previous day
- March contract open interest rose 4.74% from 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 February 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: 67.05 / 66.85	R1/R2: 67.35 / 67.55

Source: Company, ICICIdirect.com Research

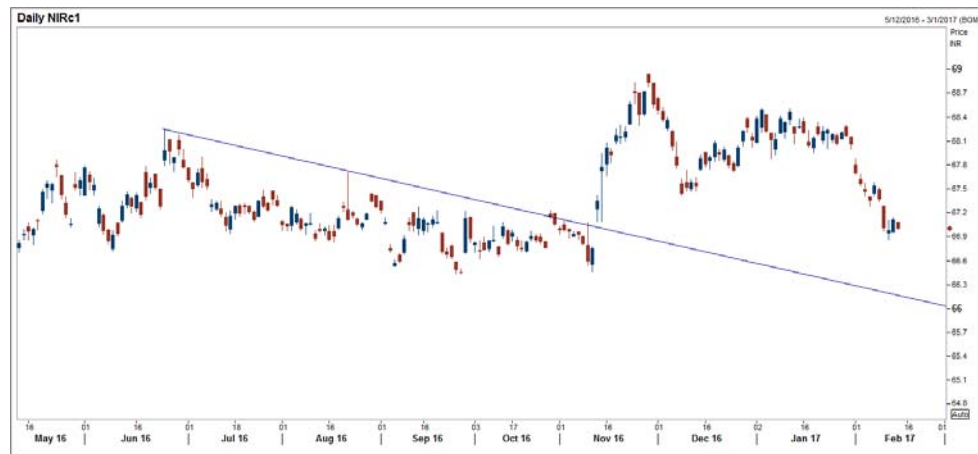
\*Call initiation and update messages will be broadcast on iclick-2-gain\*

### FII Activity

Segment	Gross Purchase	Gross Sale	Net (₹ crore)
Equity	3893.35	3575.50	317.85
Debt	990.26	221.52	768.74

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)	67.03	66.99	66.94	67.08	67.12
US\$ - INR (Mar)	67.32	67.25	67.19	67.38	67.46
EUR - INR (Feb)	71.25	71.17	71.07	71.35	71.43
EUR - INR (Mar)	71.60	71.51	71.42	71.69	71.78
GBP - INR (Feb)	83.78	83.38	83.12	84.04	84.44
GBP - INR (mar)	84.15	83.76	83.52	84.39	84.78
JPY - INR (feb)	59.13	59.04	58.91	59.26	59.34
JPY - INR (mar)	59.76	59.74	59.74	59.76	59.78

Source: NSE, ICICIdirect.com Research

### Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
14-Feb-17	February	Buy	Buy future	66.95	67.40	66.80	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



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