

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.42	6.37
US 10 year	2.40	2.36
Eur 10 year	0.34	0.32
UK 10 year	1.36	1.30
JPY 10 year	0.05	0.04

RBI reference rate

	Close		% change
	13-01-2017	12-01-2017	
USD/INR	68.23	68.09	0.21
EUR/INR	72.48	72.23	0.34
GBP/INR	82.98	83.19	-0.26
YEN/INR	59.40	59.45	-0.08

Spot

Spot	Close	Prev close	% change
Rupee	68.16	68.08	0.11
Dollar index	101.18	101.35	-0.17
Euro	1.0643	1.0613	0.28
British pound	1.2182	1.2162	0.16
Japanese Yen	114.49	114.72	-0.20
Australian (\$)	0.7502	0.7484	0.24
Swiss Franc	1.0084	1.0109	-0.25

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
Jan	68.27	-0.32	1866779	712363	-5.76	-59.25
Feb	68.53	-0.29	397938	82399	6.85	-59.07
Jan-Feb	-0.26	-	-	629964	-	88.43
Feb-Mar	-0.25	-	-	66745	-	81.00

Global Indices

Indices	Close	Prev close	% change
Dow Jones	19885.73	19891	-0.03
Nasdaq	5059.509	5041.426	0.36
FTSE	7337.81	7292.37	0.62
DAX	11629.18	11521.04	0.94
Hang Sang	22766.26	22937.38	-0.75
Nikkei	19108.48	19287.28	-0.93
SGX Nifty	8400.5	8424	-0.28

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1197.34	1195.43	0.16
Copper	269	267.15	0.69
Brent crude	55.45	56.01	-1.00

Source: Reuters, Bloomberg, Cdsl for above all exhibits

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Debt market

- Government bonds fell, after a fresh supply of debt weighed on investor appetite while higher industrial production number damped hopes of a February rate cut by the Monetary Policy Committee
- The benchmark 6.97% 2026 bond yield rose to 6.42% from 6.37% the previous day
- Yield on the US 10-year yield rose to 2.40% from 2.36% amid consolidation in US\$

Forex (US\$/INR)

- The rupee fell for a fifth straight week, weighed down by dollar demand from importers, despite the US\$ weakening after US President-elect Donald Trump's press meet did not reveal much on his future economic agenda
- The US dollar index fell against major currencies due to profit booking at higher levels along with weaker consumer sentiment and retail sales data. However, weakness could be limited as a slide in the British pound on British Prime Minister's hard Brexit stance would support US\$ amid risk-off sentiment

Equity

- Equity benchmarks ended on a flat note in a choppy trading session as profit booking in IT heavyweights TCS and Infosys post quarterly results weighed on the index
- The Sensex ended at 27238 down just 9 points while the Nifty shut shop at 8400, down just 6 points
- Broader markets also ended on a flat note as the BSE midcap and small cap indices ended almost unchanged from the previous close. The overall market breadth was marginally in favour of declines with an A/D ratio of 1:1.2 on the BSE

Commodities Market

- Crude oil continued consolidation at a higher range supported by Opec supply cuts. Russia also cut supply by 150000 bpd in January. Baker-Hughes reports showed US Operating rigs fell for first time in 11 weeks
- Gold remain supported as consolidation in US\$, expectations of a hard Brexit and a mild recovery in Gold ETF demand supported prices at lower value buying levels

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee January contract on the NSE ended at 68.27. The January contract open interest fell by 5.76% from the previous day
- February contract open interest rose 6.85% from previous day
- We expect the US\$ to find supports at lower levels. Utilise downsides in the dollar to go long on the US\$INR pair

Intra-day strategy

US\$INR January futures contract (NSE)	View: Bullish on US\$INR
Buy US\$INR in the range of 68.05 - 68.15	Market Lot: US\$1000
Target: 68.35/ 68.55	Stop Loss: 67.95
Support	Resistance
S1/ S2: 68.10 / 67.90	R1/R2:68.50/68.70

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	3316.38	3318.01	-1.63
Debt	712.55	791.45	-78.90

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)	68.30	68.23	68.17	68.35	68.43
US\$ - INR (Feb)	68.54	68.47	68.41	68.60	68.67
EUR - INR (Jan)	72.66	72.52	72.28	72.90	73.05
EUR - INR (Feb)	73.00	72.86	72.63	73.23	73.37
GBP - INR (Jan)	83.37	83.15	82.80	83.72	83.95
GBP - INR (Feb)	83.74	83.52	83.19	84.07	84.28
JPY - INR (Jan)	59.73	59.17	58.72	60.18	60.75
JPY - INR (Feb)	59.85	59.69	59.47	60.07	60.24

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
13-Jan-17	January	Buy	Buy fut	68.15	68.50	68.00	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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