

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.44	6.42
US 10 year	2.40	2.40
Eur 10 year	0.32	0.34
UK 10 year	1.31	1.36
JPY 10 year	0.05	0.05

RBI reference rate

	Close		% change
	16-01-2017	13-01-2017	
USD/INR	68.16	68.23	-0.11
EUR/INR	72.42	72.48	-0.08
GBP/INR	82.00	82.98	-1.18
YEN/INR	59.79	59.40	0.66

Spot

Spot	Close	Prev close	% change
Rupee	68.10	68.16	-0.09
Dollar index	101.18	101.18	0.00
Euro	1.0601	1.0643	-0.39
British pound	1.2047	1.2182	-1.11
Japanese Yen	114.2	114.49	-0.25
Australian (\$)	0.7477	0.7502	-0.33
Swiss Franc	1.0117	1.0084	0.33

Currency futures (US\$/₹, NSE)

Contracts	LTP	chng (%)	OI	Vol	chng (%)	
					OI	Vol
Jan	68.20	-0.10	1814700	649165	-2.79	-8.87
Feb	68.55	0.03	399760	52621	0.46	-36.14
Jan-Feb	-0.35	-	-	596544	-	91.89
Feb-Mar	-0.15	-	-	48895	-	92.92

Global Indices

Indices	Close	Prev close	% change
Dow Jones	19885.73	19891	-0.03
Nasdaq	5059.509	5041.426	0.36
FTSE	7327.13	7337.81	-0.15
DAX	11554.71	11629.18	-0.64
Hang Sang	22809.89	22718.15	0.40
Nikkei	18985.92	19095.24	-0.57
SGX Nifty	8448	8433	0.18

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1202.73	1197.34	0.45
Copper	269	267.15	0.69
Brent crude	55.86	55.45	0.74

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds fell, amid rising concerns on rate cuts by a Monetary Parliamentary Committee in the upcoming policy meeting
- The benchmark 6.97% 2026 bond yield rose to 6.44% from 6.42% the previous day
- Yield on the US 10-year yield was steady at 2.40% as US markets remained closed on account of Dr Martin Luther King Junior holiday

Forex (US\$/INR)

- The rupee rose against the US\$ helped by steady domestic equities amid consolidation in the US\$ ahead of the President's inauguration speech
- The US dollar index remained ranged against major currencies ahead of the British Prime Minister's speech today and President-elect Donald Trump's inauguration speech on Friday

Equity

- Equity benchmarks eked out small gains in a range bound trading session on Monday as subdued global cues weighed on sentiments
- The Sensex rose 50 points or 0.18% to 27288 while the Nifty was up just 12 points to shut shop at 8412
- Broader markets outperformed the benchmarks in range bound session as the BSE midcap and small cap indices gained 0.27% and 0.57%, respectively. As a result, the overall market breadth was positive with an A/D ratio of 1.3:1 on the BSE

Commodities Market

- Crude oil prices continued to remain supported by supply cuts by Opec along with Russia. Also, the Saudi Arabian Oil Minister sees crude oil market getting balanced by end of H1CY17 due to planned supply cuts
- Gold remained supported as consolidation in the US\$ amid focus on political upheaval is supporting non interest paying safe haven assets. The British Prime minister is expected to deliver her Brexit speech today which would focus on UK leaving the single market for tighter immigration controls

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee January contract on the NSE ended at 68.20. The January contract open interest fell by 2.79% from the previous day
- February contract open interest rose 0.46% from previous day
- We expect the US\$ to meet 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)	View: Bearish on US\$INR
Sell US\$INR in the range of 68.35 - 68.45	Market Lot: US\$1000
Target: 68.00/ 67.80	Stop Loss: 68.55
Support	Resistance
S1/ S2: 68.00 / 67.80	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	3237.92	3341.02	-103.10
Debt	785.52	2343.01	-1557.49

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)	68.26	68.14	68.07	68.34	68.46
US\$ - INR (Feb)	68.50	68.38	68.31	68.57	68.69
EUR - INR (Jan)	72.41	72.10	71.91	72.60	72.91
EUR - INR (Feb)	72.73	72.48	72.34	72.87	73.12
GBP - INR (Jan)	82.25	82.01	81.70	82.57	82.81
GBP - INR (Feb)	82.61	82.38	82.09	82.90	83.12
JPY - INR (Jan)	59.83	59.62	59.49	59.96	60.17
JPY - INR (Feb)	60.09	59.89	59.75	60.22	60.42

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
16-Jan-17	January	Buy	Buy fut	68.10	68.45	67.95	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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