

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.85	6.86
US 10 year	2.45	2.49
Eur 10 year	0.35	0.37
UK 10 year	1.26	1.30
JPY 10 year	0.10	0.09

RBI reference rate

	Close		% change
	16-02-2017	15-02-2017	
USD/INR	66.95	66.92	0.04
EUR/INR	71.02	70.82	0.29
GBP/INR	83.44	83.41	0.03
YEN/INR	58.75	58.56	0.32

Spot

Spot	Close	Prev close	% change
Rupee	67.07	66.91	0.25
Dollar index	100.44	101.18	-0.73
Euro	1.0674	1.0601	0.69
British pound	1.2489	1.2461	0.22
Japanese Yen	113.24	114.16	-0.81
Australian (\$)	0.7694	0.771	-0.21
Swiss Franc	0.9971	1.0055	-0.84

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
February	67.11	0.21	1458896	811700	-4.96	16.71
March	67.38	0.24	793312	207124	9.02	25.41
Feb-March	-0.27	-	-	604576	-	74.48
March-April	-0.27	-	-	-134011	-	-64.70

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20619.77	20611.86	0.04
Nasdaq	5300.639	5302.393	-0.03
FTSE	7277.92	7302.41	-0.34
DAX	11757.24	11793.93	-0.31
Hang Sang	24077.97	24107.7	-0.12
Nikkei	19231.04	19347.53	-0.60
SGX Nifty	8830	8788	0.48

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1239.04	1233.7	0.43
Copper	271.85	274.05	-0.80
Brent crude	55.65	55.75	-0.18

Source: Reuters, Bloomberg, Cdsl for above all exhibits

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Debt market

- Government bonds ended higher for a second session, on value buying and repurchase of securities
- The benchmark 6.97% 2026 bond yield fell to 6.85% from 6.86% in the previous day
- Yield on the US 10-year fell to 2.45% from 2.49% in the previous day as strong US economic data and rate hike sentiments continued to keep yields in a narrow range

Forex (US\$/INR)

- The rupee fell to a one-week low against the US\$, as banks stepped up purchases of the US currency while a rise in March US interest rate hike probability to almost 44% from 28% is weighing on the rupee
- The US\$ fell against major currencies undermined by an uptick in recent US economic data. US January housing starts and build permits data was higher-than-expected. US\$JPY pair continued to see profit booking as a rise in JGB yields could make BoJ step down purchases supporting the Japanese Yen

Equity

- Equity benchmarks snapped their two day losing streak and settled higher on Thursday led by a recovery in IT, pharma and auto stocks
- The Sensex rose 145 points or 0.52% to 28301 while the Nifty gained 53 points or 0.61% to shut shop at 8778
- Broader markets resumed their outperforming trait after a three session pause as the BSE midcap and small cap indices rallied 1.25% and 1.35%, respectively. As a result, the overall market breath was strong, with an A/D ratio of 1.83:1 on the BSE

Commodities Market

- Oil prices continued to trade in a narrow range as US crude oil stocks rose by 9.53 mb taking inventories to over three decade high. Opec supply cut is being countered by rising US oil supplies leading to ranged trading in oil prices
- Gold prices gained as the US\$ see profit booking post a recent surge. Gold seems to be supported on an inflation hedge as well as soft US\$. However, a sharp rise in rate hike probability could see profit booking in the precious metal

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee February contract on the NSE ended at 67.11. The February contract open interest fell 4.96% from the previous day
- March contract open interest rose 9.02% from previous day
- We expect the US dollar to gain support 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 66.95 - 67.05	Market Lot: US\$1000
Target: 67.30 / 67.50	Stop Loss: 66.85
Support	Resistance
S1/ S2: 67.00 / 66.80	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	5551.14	5297.52	253.62
Debt	1060.08	814.33	245.75

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)	67.06	66.99	66.88	67.18	67.25
US\$ - INR (Mar)	67.32	67.26	67.15	67.43	67.50
EUR - INR (Feb)	71.27	71.13	70.90	71.50	71.63
EUR - INR (Mar)	71.60	71.46	71.22	71.84	71.98
GBP - INR (Feb)	83.83	83.59	83.23	84.19	84.42
GBP - INR (mar)	84.18	83.96	83.62	84.52	84.74
JPY - INR (feb)	58.97	58.86	58.66	59.18	59.29
JPY - INR (mar)	59.52	59.43	59.27	59.68	59.77

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
16-Feb-17	February	Sell	Sell future	67.05	66.70	67.20	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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