

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.42	6.44
US 10 year	2.33	2.40
Eur 10 year	0.32	0.32
UK 10 year	1.31	1.31
JPY 10 year	0.05	0.05

RBI reference rate

	Close		% change
	17-01-2017	16-01-2017	
USD/INR	68.05	68.16	-0.15
EUR/INR	72.50	72.42	0.12
GBP/INR	82.46	82.00	0.56
YEN/INR	59.98	59.79	0.32

Spot

Spot	Close	Prev close	% change
Rupee	67.96	68.10	-0.20
Dollar index	100.33	101.18	-0.84
Euro	1.0713	1.0601	1.06
British pound	1.2414	1.2047	3.05
Japanese Yen	112.62	114.2	-1.38
Australian (\$)	0.7567	0.7477	1.20
Swiss Franc	1.0015	1.0117	-1.01

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
Jan	68.04	-0.23	1796005	1164907	-1.03	79.45
Feb	68.28	-0.39	448498	182616	12.19	247.04
Jan-Feb	-0.24	-	-	982291	-	84.32
Feb-Mar	-0.27	-	-	167600	-	91.78

Global Indices

Indices	Close	Prev close	% change
Dow Jones	19826.77	19885.73	-0.30
Nasdaq	5044.652	5059.509	-0.29
FTSE	7220.38	7327.13	-1.46
DAX	11540	11554.71	-0.13
Hang Sang	23118.43	22840.97	1.21
Nikkei	18784.64	18813.53	-0.15
SGX Nifty	8423.5	8408	0.18

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1217.07	1202.73	1.19
Copper	262.5	269	-2.42
Brent crude	55.47	55.86	-0.70

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds rose for the first time in three sessions, as investors boosted purchases to benefit from the recent decline in prices
- The benchmark 6.97% 2026 bond yield fell to 6.42% from 6.44% the previous day
- Yield on the US 10-year yield fell sharply to 2.33% on the US President-elect's comments over strength in US\$

Forex (US\$/INR)

- The rupee continued its gaining streak against the US\$ as steady domestic equity markets and strength in major currencies against the US\$ supported the rupee
- The US\$ fell sharply against major currencies as political comments continued to shake financial markets. The GBP US\$ pair rallied over 3% as the British Prime Minister pledged to hold a Parliament vote on Brexit. The US President-elect said current US\$ levels were too strong, which sent the US\$ tumbling against major currencies

Equity

- Benchmark indices settled marginally lower in a choppy trading session amid broader consolidation weighed down by oil & gas heavyweight Reliance Industries post its quarterly results while subdued European cues also capped upside
- The Sensex shed 52 points or 0.19% to 27235 while the Nifty was down 14 points or 0.18% to 8398 levels
- Broader markets outperformed the benchmarks as the BSE midcap index ended unchanged while small cap indices gained 0.33%, respectively. The overall market breadth was flat

Commodities Market

- Crude oil prices continued to hold as US inventories are seen falling this week. A Bloomberg survey shows weekly stocks falling by 1 million barrels. The Saudi Oil Minister said robust demand and more than promised cuts by Russia and Opec-Gulf members would contain the global glut earlier than expected
- Gold posted decent gains as political comments keep financial markets on the tenterhooks. Trump's comments on a stronger US\$ weighed on vehicle currency while the British Prime Minister reiterated on UK leaving Euro single access market, supporting safe haven-buying in gold

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee January contract on the NSE ended at 68.04. The January contract open interest fell by 1.03% from the previous day
- February contract open interest rose 12.19% 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 68.15 - 68.25	Market Lot: US\$1000
Target: 67.80 / 67.60	Stop Loss: 68.35
Support	Resistance
S1/ S2: 67.80 / 67.60	R1/R2: 68.25 / 68.45

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	2387.39	2725.90	-338.51
Debt	74.60	601.11	-526.51

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)	68.10	67.97	67.89	68.18	68.31
US\$ - INR (Feb)	68.35	68.22	68.15	68.42	68.54
EUR - INR (Jan)	72.67	72.49	72.22	72.94	73.11
EUR - INR (Feb)	73.00	72.85	72.60	73.25	73.40
GBP - INR (Jan)	82.69	82.45	82.08	83.07	83.31
GBP - INR (Feb)	83.04	82.82	82.48	83.38	83.61
JPY - INR (Jan)	60.09	59.90	59.56	60.44	60.63
JPY - INR (Feb)	60.27	60.04	59.61	60.70	60.93

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
17-Jan-17	January	Sell	Sell fut	68.40	67.90	68.55	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



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