

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.94	6.90
US 10 year	2.41	2.43
Eur 10 year	0.28	0.30
UK 10 year	1.20	1.24
JPY 10 year	0.08	0.10

RBI reference rate

	Close		% change
	22-02-2017	20-02-2017	
USD/INR	66.96	66.98	-0.02
EUR/INR	70.54	71.06	-0.73
GBP/INR	83.69	83.19	0.60
YEN/INR	58.98	59.16	-0.30

Spot

Spot	Close	Prev close	% change
Rupee	66.97	66.93	0.06
Dollar index	101.22	101.37	-0.15
Euro	1.0558	1.0536	0.21
British pound	1.245	1.2473	-0.18
Japanese Yen	113.31	113.68	-0.33
Australian (\$)	0.7703	0.7675	0.36
Swiss Franc	1.0103	1.0097	0.06

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
March	67.23	0.01	1297416	622572	29.35	75.88
April	67.50	0.01	194619	58050	12.32	59.93
March-April	-0.27	-	-	564522	-	90.68
April-May	-0.24	-	-	29035	-	50.02

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20775.6	20743	0.16
Nasdaq	5352.134	5350.725	0.03
FTSE	7302.25	7274.83	0.38
DAX	11998.59	11967.49	0.26
Hang Sang	24107.65	24201.96	-0.39
Nikkei	19311.6	19379.87	-0.35
SGX Nifty	8922.5	8918	0.05

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1237.44	1235.74	0.14
Copper	273.3	274.55	-0.46
Brent crude	55.84	56.66	-1.45

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds ended lower for a third session, on caution ahead of the release of the minutes of the central bank's Monetary Policy Committee and the Federal Reserve's latest policy meetings
- The benchmark 6.97% 2026 bond yield rose to 6.94% from 6.90% in the previous trading day
- Yield on the US 10-year fell to 2.41% from 2.43% in the previous day

Forex (US\$/INR)

- The rupee fell for the first time in three sessions against the dollar likely for crude oil importers, amid caution ahead of the release of the Federal Reserve's latest meeting minutes
- The US\$ index posted minor gains against major currencies with dollar index off the highs of 101.70 levels post Fed FOMC minutes. Euro posted a recovery against US\$ as March US interest rate hike probability fell slightly post the minutes, which failed to provide any cues for March meeting rate hike prospects

Equity

- Equity benchmarks pared some intraday gains but settled higher for a fifth consecutive session led by nearly 11% surge in heavyweight Reliance Industries even as profit booking was seen across most sectors ahead of the F&O expiry
- The Sensex rose 103 points or 0.36% to 28864 while the Nifty was up 19 points or 0.21% to settle at 8926 levels
- Broader markets were subject to profit bookings as the BSE midcap and small cap indices underperformed the benchmark by losing 0.58% each. As a result, the overall market breadth was negative with an A/D ratio of 1:1.6 on the BSE

Commodities Market

- Crude oil prices remain on the edge ahead of government weekly inventory data due today. As per Bloomberg survey, oil stocks are forecast to rise by 325000 bl. However, American Petroleum Institute (API) data showed oil stocks falling by 884000 bl, a first contraction in inventory since December
- Gold prices gained slightly post US Fed FOMC minutes. US\$ bulls were disappointed as minutes failed to provide any cues on further rate hikes supporting non-interest paying asset

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee March contract on the NSE ended at 67.23. The March contract open interest rose 29.35% from the previous day
- April contract open interest rose 12.32% from the 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 March futures contract (NSE)	View: Bullish on US\$INR
Buy US\$INR in the range of 67.05 - 67.15	Market Lot: US\$1000
Target: 67.45 / 67.65	Stop Loss: 66.95
Support	Resistance
S1/ S2: 67.10 / 66.90	R1/R2: 67.30 / 67.50

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	7039.61	8993.23	-1953.62
Debt	433.00	391.68	41.32

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 (Mar)	67.21	67.15	67.07	67.29	67.35
US\$ - INR (Apr)	67.44	67.36	67.22	67.58	67.66
EUR - INR (Mar)	70.90	70.62	70.44	71.08	71.36
EUR - INR (Apr)	71.34	70.91	70.66	71.59	72.02
GBP - INR (Mar)	83.90	83.65	83.49	84.06	84.31
GBP - INR (Apr)	84.28	84.04	83.88	84.43	84.67
JPY - INR (Mar)	59.48	59.35	59.14	59.69	59.82
JPY - INR (Apr)	59.73	59.61	59.40	59.94	60.06

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
22-Feb-17	February	Buy	Buy future	66.95	67.35	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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