

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.88	6.92
US 10 year	2.37	2.31
Eur 10 year	0.20	0.19
UK 10 year	1.15	1.08
JPY 10 year	0.05	0.07

RBI reference rate

	Close		% change
	27-02-2017	23-02-2017	
USD/INR	66.72	66.84	-0.16
EUR/INR	70.51	70.54	-0.04
GBP/INR	82.89	83.12	-0.28
YEN/INR	59.51	59.01	0.85

Spot

Spot	Close	Prev close	% change
Rupee	66.71	66.83	-0.18
Dollar index	101.13	101.09	0.04
Euro	1.0587	1.0563	0.23
British pound	1.2442	1.2462	-0.16
Japanese Yen	112.7	112.12	0.52
Australian (\$)	0.7673	0.7676	-0.04
Swiss Franc	1.009	1.0075	0.15

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
March	66.94	-0.19	1640059	768813	1.06	-35.81
April	67.21	-0.21	284717	731171	12.59	522.91
March-April	-0.27	-	-	37642	-	4.90
April-May	-0.26	-	-	715919	-	97.91

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20837.44	20821.76	0.08
Nasdaq	5347.549	5343.314	0.08
FTSE	7253	7243.7	0.13
DAX	11822.67	11804.03	0.16
Hang Sang	23881.28	23925.05	-0.18
Nikkei	19241.15	19107.47	0.70
SGX Nifty	8925.5	8919	0.07

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1252.73	1257.19	-0.35
Copper	268.75	268	0.28
Brent crude	55.93	55.99	-0.11

Source: Reuters, Bloomberg, CdsI for above all exhibits

Research Analyst

Amit Gupta
amit.gup@icicisecurities.com

Gaurav Shah
gaurav.shah@icicisecurities.com

Debt market

- Government bonds rose for a second session as risk rose after global uncertainty spurred demand for US debt and dragged treasury yields lower ahead of the US President's congressional testimony on Tuesday
- The benchmark 6.97% 2026 bond yield fell to 6.88% from 6.92% in the previous trading day
- Yield on the US 10-year rose sharply to 2.37% from 2.31% in the previous day

Forex (US\$/INR)

- The rupee rose against the US\$ as stronger inflows buoyed by gains in domestic equities continued to extend gains in the rupee as the US\$ remains in consolidation mode ahead of the US President's testimony
- The US dollar index posted mild gains ahead of the US President's congressional testimony. The Japanese Yen tumbled sharply as the pair remains most immune among majors to strength in the US\$. More than expected details on stimulus could send the US\$ ahead. March interest rate hike has risen to 50% ahead of presidential testimony

Equity

- Equity benchmarks snapped a six day winning streak and settled lower on Monday as investors remained on the sidelines ahead of the US President's speech to a joint session of Congress
- The Sensex was down 80 points or 0.28% to 28812 while the Nifty fell 42 points or 0.48% to shut shop at 8896
- Broader markets outperformed the benchmarks as the BSE midcap index was almost unchanged while the small cap index ended up 0.16%. The overall market breadth was marginally favouring declines with an A/D ratio of 1:1.19 on the BSE

Commodities Market

- Crude oil prices continued in a narrow trading range on account of a supply stand-off between US oil suppliers and strict production curbs followed by Opec members and supply cuts by Russia. Strength in the US\$ and upcoming US oil supply data would be catalysts for further trends in oil prices
- Gold prices saw mild profit booking in yesterday's trade ahead of the US President's congressional testimony. Any more details than some expected on tax could send gold lower as non-interest paying asset posted decent gains in the last few sessions

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee March contract on the NSE ended at 66.94. The March contract open interest rose 1.06% from the previous day
- April contract open interest rose 12.59% from the previous day
- We expect the US dollar to find supports 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 66.85 - 66.95	Market Lot: US\$1000
Target: 67.15 / 67.25	Stop Loss: 66.75
Support	Resistance
S1/ S2: 66.95 / 66.75	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	9747.78	9059.76	688.02
Debt	696.74	674.06	22.68

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)	66.95	66.90	66.83	67.02	67.08
US\$ - INR (Apr)	67.35	67.04	66.85	67.53	67.84
EUR - INR (Mar)	70.94	70.84	70.67	71.10	71.21
EUR - INR (Apr)	71.32	71.21	71.02	71.51	71.62
GBP - INR (Mar)	83.20	83.04	82.87	83.37	83.53
GBP - INR (Apr)	83.60	83.41	83.21	83.80	83.99
JPY - INR (Mar)	59.72	59.64	59.56	59.80	59.88
JPY - INR (Apr)	60.00	59.94	59.88	60.06	60.13

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
23-Feb-17	March	Buy	Buy future	67.10	67.55	66.95	0	Exit at cost

(*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



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

ICICIdirect.com Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

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