

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.40	6.42
US 10 year	2.48	2.50
Eur 10 year	0.46	0.48
UK 10 year	1.47	1.52
JPY 10 year	0.08	0.09

RBI reference rate

	Close		% change
	27-01-2017	25-01-2017	
USD/INR	68.20	68.16	0.07
EUR/INR	72.75	73.09	-0.47
GBP/INR	85.49	85.31	0.22
YEN/INR	59.24	59.98	-1.23

Spot

Spot	Close	Prev close	% change
Rupee	68.04	68.08	-0.06
Dollar index	100.53	100.38	0.15
Euro	1.0699	1.0682	0.16
British pound	1.2555	1.2597	-0.33
Japanese Yen	115.1	114.53	0.50
Australian (\$)	0.7551	0.7535	0.21
Swiss Franc	0.9993	0.9998	-0.05

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
February	68.29	-0.04	1130454	1200255	46.30	190.78
March	68.55	-0.04	246349	108661	27.11	56.15
Feb-March	-0.26	-	-	1091594	-	90.95
March-April	-0.27	-	-	91397	-	84.11

Global Indices

Indices	Close	Prev close	% change
Dow Jones	20093.78	20100.91	-0.04
Nasdaq	5168.061	5156.922	0.22
FTSE	7184.49	7161.49	0.32
DAX	11814.27	11848.63	-0.29
Hang Sang	23360.78	23374	-0.06
Nikkei	19322.48	19467.4	-0.74
SGX Nifty	8627	8674	-0.54

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1191.2	1188.5	0.23
Copper	268.95	267.3	0.62
Brent crude	55.52	56.24	-1.28

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds recouped the day's losses to end higher for a fifth session, on aggressive demand for short-term notes at a weekly debt auction
- The benchmark 6.97% 2026 bond yield fell to 6.40% from 6.42% in the previous session
- Yield on the US 10-year was slightly lower at 2.48% from 2.50% in the previous day

Forex (US\$/INR)

- The rupee rose to a near-two-week high against the dollar, as higher domestic shares and improved dollar inflows pared initial losses from a strong greenback ahead of US economic data
- Although the US\$ ended the day on a slightly higher note, overall it remains subdued on account of rising fear of protectionist policies as seen in the President's executive orders. Also, absence of any major announcement regarding infrastructure spending is weighing on US\$ against major currencies

Equity

- Equity benchmarks extended gains for a fourth session in a row as participants remained optimistic ahead of the Union Budget while better-than-expected corporate earnings also aided sentiments
- The Sensex rose 174 points or 0.63% to 27882 while the Nifty gained 38 points or 0.45% to settle at 8641 levels
- Broader markets also rose in line with the benchmarks as the BSE midcap and small cap indices were up 0.64% and 0.53%, respectively. However, despite this, the overall market breadth was flattish

Commodities Market

- Crude oil prices continue to remain in a range as supply cuts by Opec supported prices while simultaneously resilient US shale oil producers grabbed rising oil prices to increase supply. Baker-Hughes data showed operating oil rising highest since November
- Gold prices remain slightly supported as soft US\$ against major currencies caused fear of protectionist policies with the economic agenda remaining on the sidelines

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee February contract on the NSE ended at 68.29. The February contract open interest rose 46.30% from the previous day
- March contract open interest rose 27.11% from previous day
- We expect the US dollar to gain supports 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 68.15 - 68.25	Market Lot: US\$1000
Target: 68.45/ 68.65	Stop Loss: 68.05
Support	Resistance
S1/ S2: 68.20/ 68.00	R1/R2:68.45 /68.65

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	8879.99	7645.91	1234.08
Debt	200.26	784.51	-584.25

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)	68.35	68.26	68.22	68.39	68.48
US\$ - INR (Mar)	68.60	68.52	68.48	68.65	68.73
EUR - INR (Feb)	73.48	73.38	73.25	73.62	73.71
EUR - INR (Mar)	73.78	73.69	73.54	73.93	74.03
GBP - INR (Feb)	85.89	85.61	85.22	86.28	86.56
GBP - INR (mar)	86.18	85.92	85.55	86.55	86.81
JPY - INR (feb)	60.25	60.10	60.00	60.35	60.50
JPY - INR (mar)	60.45	60.36	60.30	60.51	60.60

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
27-Jan-17	February	Buy	Buy fut	68.30	68.75	68.15	-10	Exit in loss

(*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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