

Treasury yields

	Closing yield%	Previous yield %
India 10 year	6.41	6.40
US 10 year	2.49	2.48
Eur 10 year	0.45	0.46
UK 10 year	1.44	1.47
JPY 10 year	0.09	0.08

RBI reference rate

	Close		% change
	30-01-2017	27-01-2017	
USD/INR	68.04	68.20	-0.24
EUR/INR	72.96	72.75	0.30
GBP/INR	85.52	85.49	0.03
YEN/INR	59.38	59.24	0.24

Spot

Spot	Close	Prev close	% change
Rupee	67.95	68.04	-0.13
Dollar index	100.43	100.53	-0.10
Euro	1.0695	1.0699	-0.04
British pound	1.2486	1.2555	-0.55
Japanese Yen	113.77	115.1	-1.16
Australian (\$)	0.7555	0.7551	0.05
Swiss Franc	0.9953	0.9993	-0.40

Currency futures (US\$/₹, NSE)

Contracts	LTP	chg (%)	OI	Vol	chg (%)	
					OI	Vol
February	68.17	-0.18	1149238	677908	1.66	-43.52
March	68.44	-0.16	260383	56421	5.70	-48.08
Feb-March	-0.27	-	-	621487	-	91.68
March-April	-0.28	-	-	50337	-	89.22

Global Indices

Indices	Close	Prev close	% change
Dow Jones	19971.13	20093.78	-0.61
Nasdaq	5129.329	5168.061	-0.75
FTSE	7118.48	7184.49	-0.92
DAX	11681.89	11814.27	-1.12
Hang Sang	23360.78	23374	-0.06
Nikkei	19145.25	19368.85	-1.15
SGX Nifty	8628	8654	-0.30

* Asian market as at 08.00 am

Commodities

	Close	Prev close	% change
Gold	1195.7	1191.2	0.38
Copper	265.5	268.95	-1.28
Brent crude	55.23	55.52	-0.52

Source: Reuters, Bloomberg, CdsI for above all exhibits

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Debt market

- Government bonds gave up early gains and fell for the first time in six sessions, as investors awaited cues on the government's fiscal consolidation path in the Union Budget
- The benchmark 6.97% 2026 bond yield rose to 6.41% from 6.40% in the previous session
- Yield on the US 10-year was slightly higher at 2.49% from 2.48% in the previous day

Forex (US\$/INR)

- The rupee continued its gaining trajectory on back of subdued US\$ and steady domestic equity markets. Annual Budget day would provide further near terms trends in the rupee
- US\$ ended slightly on a lower note against major currencies. Uncertainty created over the US President's trade and immigration policies is weighing on the US interest rate hike due to rising risks to global trade growth. BoJ has kept its interest rates unchanged in today's monetary policy meeting review

Equity

- Equity benchmarks snapped their four day winning streak to settle marginally lower on Monday as sentiments remained cautious ahead of the Union Budget 2017 while the telecom space hogged the limelight after British telecom giant Vodafone Plc confirmed it is in discussions with the Aditya Birla group about an all-stock merger of Vodafone India and Idea Cellular
- The Sensex settled at 27849, down 32 points or 0.12% while the Nifty shut shop at 8632, down just 8 points or 0.10%
- Broader markets saw a mixed performance as the BSE midcap index outperformed by gaining 0.32% while the small cap index was down 0.32% on the back of profit booking. As a result, the overall market breadth was favouring declines with an A/D ratio of 1:1.33

Commodities Market

- Crude oil prices were slightly lower in yesterday's trade due to rising shale oil supply seen from increasing number of operating oil rigs. Also, the global growth outlook is weighing on oil prices at higher levels
- Gold prices further gained yesterday as Trump's policies support safe haven buying in precious metal. Rising concerns on trade and global growth outlook are weighing on US interest rate hike sentiment

US\$/INR derivatives strategy

- In the currency futures market, the most traded dollar-rupee February contract on the NSE ended at 68.17. The February contract open interest rose 1.66% from the previous day
- March contract open interest rose 5.70% from previous day
- We expect the US dollar to meet supply pressure at higher levels. Utilise upsides in the dollar to go short on the US\$/INR pair

Intra-day strategy

US\$/INR February futures contract (NSE)	View: Bearish on US\$/INR
Sell US\$/INR in the range of 68.10 - 68.20	Market Lot: US\$1000
Target: 67.80 / 67.60	Stop Loss: 68.30
Support	Resistance
S1/ S2: 68.00 / 67.80	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	5854.23	5626.91	227.32
Debt	1915.25	1049.91	865.34

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)	68.21	68.12	68.06	68.27	68.36
US\$ - INR (Mar)	68.47	68.38	68.32	68.53	68.62
EUR - INR (Feb)	73.15	72.73	72.51	73.38	73.80
EUR - INR (Mar)	73.51	73.02	72.76	73.77	74.26
GBP - INR (Feb)	85.63	85.28	85.05	85.87	86.21
GBP - INR (mar)	85.97	85.62	85.39	86.20	86.56
JPY - INR (feb)	59.58	59.35	59.19	59.73	59.96
JPY - INR (mar)	60.13	60.10	60.07	60.16	60.19

Source: NSE, ICICIdirect.com Research

Exhibit 3: Strategy follow up

Date	Contract USD/INR	View	Strategy	Rec.	Target	SL	(P/L)*	Comment
30-Jan-17	February	Buy	Buy fut	68.20	68.55	68.05	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



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