

INR Pairs (Trading Range for the Day – Feb Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	74.91 (0.12)	84.62 (0.88)	101.34 (0.67)	65.42 (0.51)
Intraday View	Downward	Rangebound	Upward	Rangebound
Technical Range	74.70-75.10	84.20-84.70	101.00-101.50	65.00-65.50

Important Indicators		
	DXY	BRENT CRUDE
LTP	96.26	89.36
1W back	96.48	89.70
1M back	96.22	78.89



USDINR Futures (Feb)

Union Budgets of the current government has been high on intent and quality of expenditure and low on populist measures. This Budget was no different. Rightly so, GOI continued to focus on growth via high capital expenditure and supply side reforms. Capital expenditure is expected to rise by 24% in FY23, after a sharp jump of 27% and 41% during FY21 & FY22. Government understands well that another year of heavy lifting needs to be done to crowd in private investments. At the same time focus has been on augmenting infrastructure for industries and easier tax compliance. Focus has also been on incentivizing localization of manufacturing via PLI schemes, better import duty structure and new SEZ policy. The Budget is a continuing effort to improve the productive capacity of the nation and which is a medium to long term positive. Though equity market cheered the Budget but it was Rupee and bond prices which sulked. High net borrowing and no amendment to withholding tax for FPIs pushed yields higher. The curve steepened as market priced in higher borrowing and growing inflation risk. **Though yields have room to rise over the near term but USDINR appears to be rangebound. The broad range is now 74.50 and 75.25/75.50 on Feb futures.**

GBPINR Futures (Feb)

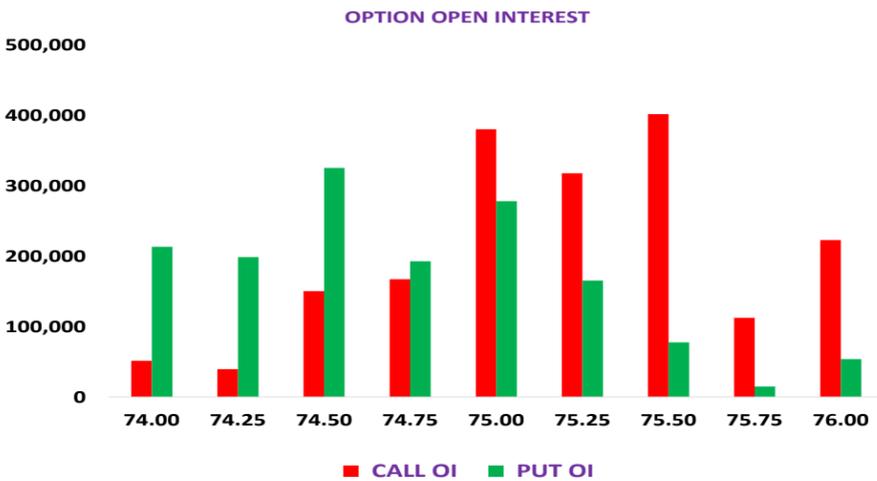
As USDINR recovered, so did GBPINR. Hopes of a hawkish BOE this week and a stronger risk appetite in global financial markets should be supportive for GBPUSD and GBPINR. **GBPINR can test 101.50/60 levels over the near term. Support near 101.00 levels.**

EURINR Futures (Feb)

A better-than-expected ISM manufacturing read had little impact on EuroUSD as stronger risk appetite in markets is driving the US Dollar lower. EURINR is getting some sun thanks to rebound in USDINR and EURUSD. **We expect EURINR to remain rangebound over the near term.**

JPYINR Futures (Feb)

JPYINR may remain rangebound thanks to a mild pullback in USDJPY and weak USDINR. When USDINR and USDJPY trend in same direction, JPYINR becomes locked within a range, as is the case now.



	Spot	Futures	
		Weekly Expiry 04-Feb-22	Monthly Expiry 24-Feb-22
USDINR LTP / (Previous Day)	74.79 / (74.62)	74.87 / (74.75)	75.03 / (74.91)
ATM Vols (in %)	75.00	4.50%	4.25%
ATM Straddle Price		0.27	0.64

Historical Volatility	
5 days Rolling	6.09%
21 days Rolling	4.47%

What Options Open Interest (OI) Saying?

Options OI accumulation from sellers are indicating a broad range of 74.50 and 75.25 for now. Implied volatility has quite expectedly come off post Budget. IVs should remain subdued due to rangebound price action.

Disclaimer & Contact:

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