

INR Pairs (Trading Range for the Day – March Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	75.92 (0.35)	84.38 (-0.46)	101.13 (-0.14)	65.89 (0.44)
Intraday View	Upward	Rangebound	Rangebound	Rangebound
Technical Range	75.60-76.10	84.00-84.60	101.25-101.80	65.40-65.90

Important Indicators		
	DXY	BRENT CRUDE
LTP	97.43	116.30
1W back	96.19	99.04
1M back	95.99	90.99



USDINR Futures (March)

As the Russia-Ukraine conflict rages on and NATO keeps updating its list of sanctions over Russia, oil prices have continued to march upwards. Yesterday gas and coal prices shot up in Europe. The higher cost of oil is a major headwind for the Indian economy and the Rupee. However, we suspect RBI may remain quite active to dampen volatility. RBI has \$567 billion of foreign currency assets and over \$40 billion of long positions in the forward market. This huge arsenal can be deployed to smoothen the impact of oil on the Rupee. Carry traders have not yet jettisoned their position as RBI has kept USDINR well behaved. High rupee liquidity gives RBI the comfort to intervene aggressively. Aggressive selling of USD will also be profitable for RBI ahead of its book closing in March. A small balance sheet and higher realised profits allow for a greater share of dividend payout. **As far as traders are concerned, buy-on dips remain the trade as long as USDINR is held above 75.00/75.20 on spot. One can continue to use options to express the bullish view.**

GBPINR Futures (March)

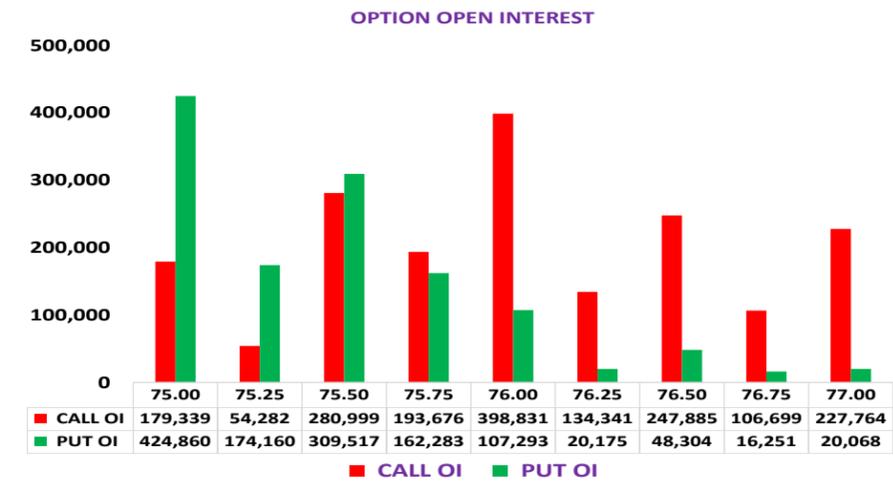
GBPINR is under pressure on account of negative impact from Russia-Ukraine conflict. As long as the conflict intensifies, GBPINR will remain highly sensitive to geopolitics and less sensitive macro considerations. **Bias remains of a volatile but rangebound play.**

EURINR Futures (March)

US Fed chief clearly hinted in his testimony that Fed is starting the rate hike campaign from March. This coupled with Russia-Ukraine conflict would remain as headwinds for EURINR. However, a strong USDINR is positive for EURINR. **Bias remains of a volatile but rangebound play.**

JPYINR Futures (March)

JPYINR remains extremely sensitive to shifts in risk appetite. Risk-off days will see sharp gap ups and follow through buying. However, sudden improvements in risk sentiments will cause deep drawdowns. Hence, stick to intra-day trades over positional ones.



	Spot	Futures	
		Weekly Expiry 11-Mar-22	Monthly Expiry 29-Mar-22
USDINR LTP / (Previous Day)	75.70 / (75.34)	75.80 / (75.45)	75.92 / (75.57)
ATM Vols (in %)	76.00	8.90%	6.85%
ATM Straddle Price		0.87	1.13

Historical Volatility	
5 days Rolling	12.70%
21 days Rolling	7.61%

What Options Open Interest (OI) Saying?

Option sellers are betting on a range of 75.50 and 76.00. Squeeze risk if prices su. Implied volatility will remain high due to uncertainty.

Disclaimer & Contact:

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