

INR Pairs (Trading Range for the Day – March Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	76.16 (0.23)	84.38 (-0.46)	101.13 (-0.14)	65.89 (0.44)
Intraday View	Upward	Rangebound	Rangebound	Upward
Technical Range	75.85-76.50	83.70-84.40	101.70-102.40	65.85-66.45

Important Indicators		
	DXY	BRENT CRUDE
LTP	97.95	111.96
1W back	96.54	98.40
1M back	95.47	92.74



USDINR Futures (March)

Oil prices have come off from yesterday's high of \$120 to \$112. However, prices are high enough to cause damage to the Indian Rupee. Add to that the strengthening US Dollar Index and weak equity prices, and we have a cocktail of factors that can drive USDINR higher. As long as this cocktail persists, USDINR can aim for its all-time highs near 77.00 levels. However, the path is not going to be smooth as RBI will be there intervening aggressively to slow down its pace, if not reverse its direction. RBI would not like a mix of weaker Rupee and higher oil prices; the inflationary impact is big. It cannot control oil prices, so it will focus its resources where it can have a major impact, USDINR. Therefore, **speculators are advised to stick with USDINR option strategies over futures. With USDINR implied volatility being elevated, for positional bets, it is advisable to stick to option spreads over naked options. The bias remains upward. Hedgers should also focus on options to hedge.**

GBPINR Futures (March)

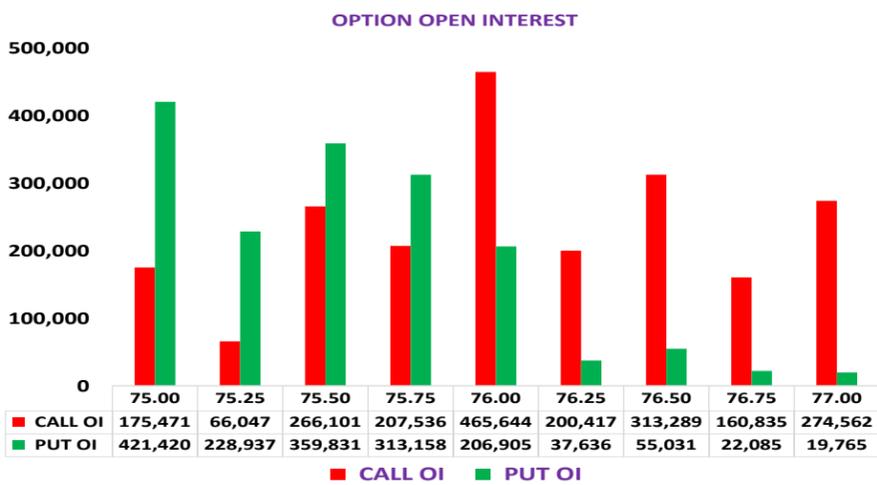
A strong US Dollar due to risk-off sentiments and hawkish US Fed has pulled GBP down against the US Dollar but GBP has done quite well against the Euro. Hawkish stance from UK central bank and relatively stronger economy is allowing for the outperformance. For GBINR, bias remains of a volatile but rangebound play.

EURINR Futures (March)

Policy divergence between ECB, who is dovish and US Fed, who is hawkish are a major headwind for Euro, especially at a time when risk appetite for European assets is low due to proximity to the Ukraine conflict zone. However, thanks to a strong USDINR, EURINR is falling at a slower pace. **Our bias remains of rangebound play in EURINR.**

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)	75.91 / (75.70)	76.05 / (75.82)	76.16 / (75.93)
ATM Vols (in %)	76.00	7.60%	6.60%
ATM Straddle Price		0.68	1.08

Historical Volatility	
5 days Rolling	11.34%
21 days Rolling	7.32%

What Options Open Interest (OI) Saying?

With 76 call sellers being squeezed, OI has begun to move towards 76.50 strike calls. With OI building up 76.00 strike put options, it will offer strong support to underlying. Implied volatility has cooled due to alleged intervention from RBI in the underlying.

Disclaimer & Contact:

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