

INR Pairs (Trading Range for the Day – Dec Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	75.56 (0.28)	85.43 (0.21)	100.31 (0.39)	66.72 (0.24)
Intraday View	Mildly upward	Mildly upward	Mildly upward	Range bound
Technical Range	75.30-75.70	85.30-85.85	100.05-100.55	66.35-66.75

Important Indicators		
	DXY	BRENT CRUDE
LTP	96.21	73.42
1W back	95.89	70.13
1M back	94.05	83.64



USDINR Futures (Dec)

FPI selling in equity is picking up pace as Indian equity markets underperforms the world. They have sold close to \$1.6 billion month to date. In 2021, it was in September that we saw the highest outflow at \$1.65 billion. If December continues to see more outflow, it could turn out to be the worst month. As long as FPI selling continues, there will be an upward drift in USDINR but the extent of the up move is still shallow due to corporate \$ flows and low of carry trade unwinding. **Bias continues to be mildly upward as long Dec futures sustains above 75.20 levels. Resistance is near 75.65 & 75.80 levels.**

GBPINR Futures (Dec)

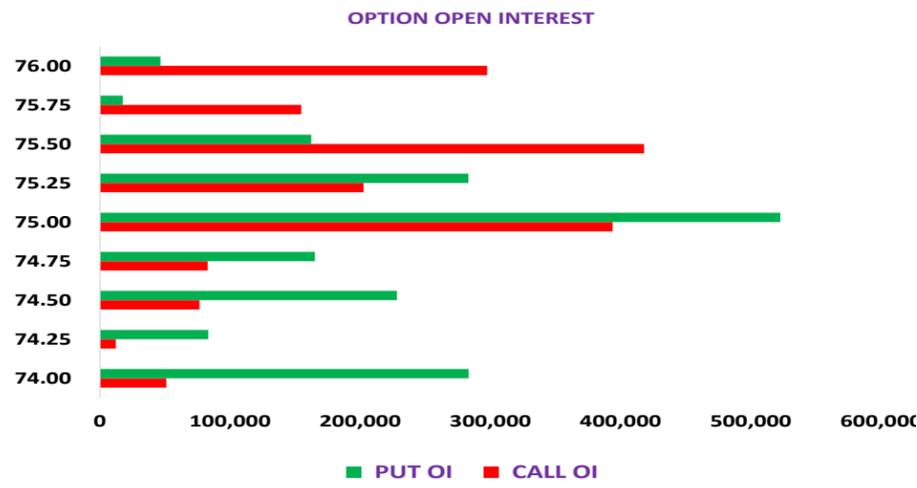
Rising cases of COVID in UK has adversely impacted sentiment in GBPINR. However, upward trend in global stocks and mild weakness in the US Dollar Index are supportive factors. If USDINR continues to drift higher, then it can add fuel to the GBPINR rally. **Bias remains mildly upward as long as GBPINR holds above 99.00/99.20 zone on December futures. Major resistance near 101.00/101.20 levels.**

EURINR Futures (Dec)

EURINR is benefitting from the mild weakness in the US Dollar Index and strength in USDINR. There are not Eurozone specific drivers which can take EURINR higher. However, rising cases of COVID in US may be starting to weigh on the US Dollar Index. Today focus will be on German and Eurozone ZEW investor sentiment indicators. **Bias remains mildly upward as long as the pair holds above 84.50 levels.**

JPYINR Futures (Dec)

With the US bond yields showing signs of bottom and global equity markets moving higher, an upward drift in USDJPY may fully offset the upward drift in USDINR. As a result, JPYINR looks like to be within a range of 66.00 and 67.00 on December futures.



	Spot	Futures	
		Weekly Expiry 10-Dec-21	Monthly Expiry 29-Dec-21
USDINR LTP / (Previous Day)	75.42 / (75.16)	75.44 / (75.16)	75.56 / (75.28)
ATM Vols (in %)	75.50	4.85%	4.60%
ATM Straddle Price		0.31	0.69

Historical Volatility	
5 days Rolling	3.99%
21 days Rolling	4.21%

What Options Open Interest (OI) Saying?

With Large OI outstanding at 75.50 call options it seems traders are still betting on USDINR remaining below 75.50 and above 75.00. In case prices sustain above 75.50, then there is a risk of a short covering, which can take prices towards 76.00 levels.

Disclaimer & Contact:

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