

INR Pairs (Trading Range for the Day – Feb Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	74.87 (0.01)	85.53 (-0.25)	101.42 (-0.06)	64.98 (-0.19)
Intraday View	Rangebound	Rangebound	Upward	Rangebound
Technical Range	74.65-75.05	85.30-85.70	101.25-101.65	64.70-65.10

Important Indicators		
	DXY	BRENT CRUDE
LTP	95.52	91.02
1W back	95.99	89.28
1M back	95.95	81.00



USDINR Futures (Feb)

Lack of dominant factors is keeping the USDINR rangebound. On one hand, relentless FPI selling is negative but on the other hand, carry traders are not yet spooked in spite of Brent crude above \$90 and US bond yields inching upwards. Attractive real rates are keeping them in Rupee long. Add to that the strong robust net FDI flows and corporate demand for \$ debt is keeping spot supply of \$ adequate. Exporter hedging tends to rise into the year-end but importer demand is missing in action as the range bound market and elevated short term forward premium is keeping them away from the market. RBI has been mostly absent. Hence, it is a listless market condition with prices stuck between 74.50 and 75.05 levels. **Futures traders look for momentum to play in the market and hence they may wait on the sidelines. But option sellers prefer such range bound market conditions. Hedged strategies like Iron Condor and Iron fly can be considered with Feb end options.**

GBPINR Futures (Feb)

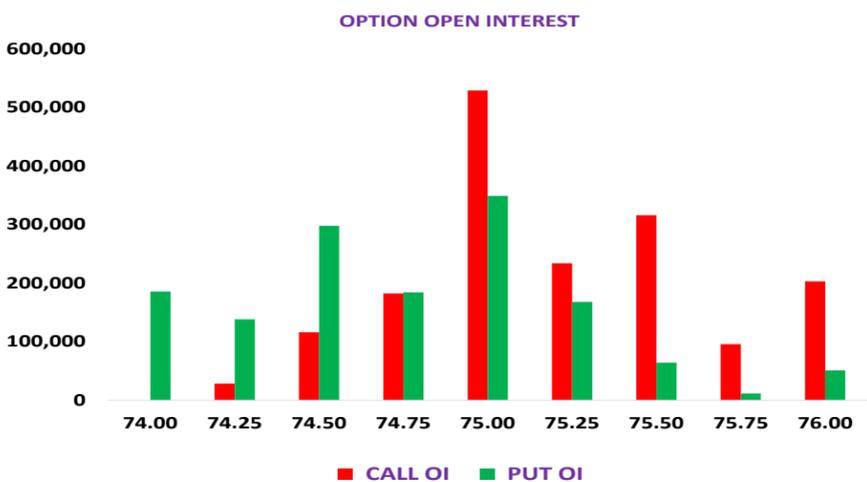
Post BOE, GBPUSD and GBPINR has been rangebound. However, with BOE expected to raise rates further should be supportive for GBP. Hence, we expect GBPUSD to test 1.3680/1.3700 levels in the coming days. Support is near 1.3490 and 1.3420 levels. **GBPINR should benefit as long as USDINR stays above 74.50/60 levels on spot.**

EURINR Futures (Feb)

ECB is closely watching the sharp rise in bond yields in Eurozone especially with PIIGS seeing a sharp upward adjustment in yields. Yesterday, ECB chief, Lagarde struck a more cautious tone, saying high inflation is unlikely to get entrenched and ECB council member Pablo Hernandez de Cos on Tuesday said any central bank move "has to be gradual". This caused a brief pullback in EURUSD and EURINR. EURINR can remain rangebound over the near term.

JPYINR Futures (Feb)

JPYINR may remain rangebound thanks to a rangebound 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 18-Feb-22	Monthly Expiry 24-Feb-22
USDINR LTP / (Previous Day)	74.74 / (74.69)	74.82 / (74.80)	74.87 / (74.85)
ATM Vols (in %)	74.75	4.40%	4.30%
ATM Straddle Price		0.43	0.55
Historical Volatility			
5 days Rolling	2.61%		
21 days Rolling	4.19%		

What Options Open Interest (OI) Saying?

Options OI accumulation is maximum near 75 strikes indicating that as the zone of maximum resistance on spot. With Decently large OI in 75.50 put options, that will offer strong support to underlying. Implied volatility may remain subdued.

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