

INR Pairs (Trading Range for the Day – March Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	77.17 (-0.08)	84.16 (0.29)	101.18 (-0.48)	67.09 (-0.45)
Intraday View	Upward	Rangebound	Rangebound	Rangebound
Technical Range	76.80-77.50	83.90-84.60	100.90-101.55	66.30-66.95

Important Indicators		
	DXY	BRENT CRUDE
LTP	99.00	130.80
1W back	97.35	114.52
1M back	95.55	91.68



USDINR Futures (March)

Oil prices have continued to inch upwards, now trading near \$ 131 per barrel on Brent grade. During such times, a tightening US monetary policy can have a significant negative impact as the overall environment appears challenging. High oil and commodity prices have a negative impact on the Indian economy and increases inflation risks. This causes FPI to sell in equity and debt segments. Add to that the mild stress in the \$ funding, and we have a potent bullish cocktail for USDINR. However, we suspect, RBI has been intervening aggressively over the past two trading sessions to keep USDINR under 77 levels on spot. Carry traders must be watching these levels closely. Generally, a clear breakout above previous all-time highs can trigger further unwinding in carry trade and that will then add further upward pressure. We saw that during March-April 2020, due to COVID. **Therefore, it is advisable for speculators to continue to use call spreads to bet on the upside. High IVs make buying naked options unremunerative. Shorting options to short VIX runs the risk of a gap up due to some adverse developments overnight. For hedgers, one is advised to use option structures to get the dual benefits of protection and participation.**

GBPINR Futures (March)

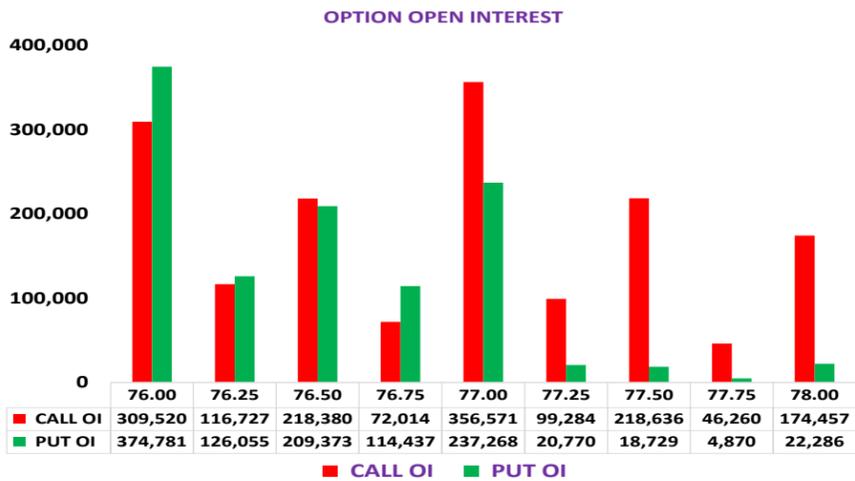
GBPINR came under pressure due to risk-off sentiments, but we expect prices to recover today if the uptrend in global markets hold up. Sentiment appears overly bearish and hence a short covering rally can occur in GBPUSD. In GBPINR, overall bias remains of a range.

EURINR Futures (March)

EURINR got a mild boost yesterday from the news that European Union will consider jointly issuing bonds to finance energy and defense spending. However, for EURINR, USDINR remains the biggest driver. Bias continues to be of a volatile range.

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 17-Mar-22	Monthly Expiry 29-Mar-22
USDINR LTP / (Previous Day)	76.90 / (76.97)	77.08 / (77.19)	77.17 / (77.25)
ATM Vols (in %)	77.00	10.20%	8.95%
ATM Straddle Price		0.98	1.32

Historical Volatility	
5 days Rolling	6.50%
21 days Rolling	8.11%

What Options Open Interest (OI) Saying?

77.50 strike call sellers are accumulating considering high implied volatility and 76.50 is seeing OI build up. VIX is correlated with crude oil. However, aggressive intervention from RBI is keeping VIX in check for last couple of trading sessions.

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