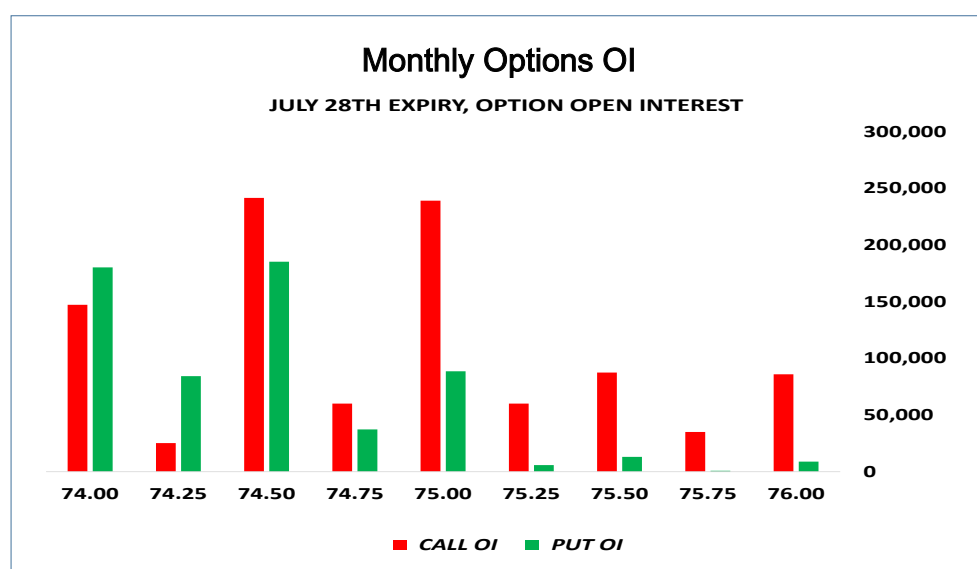
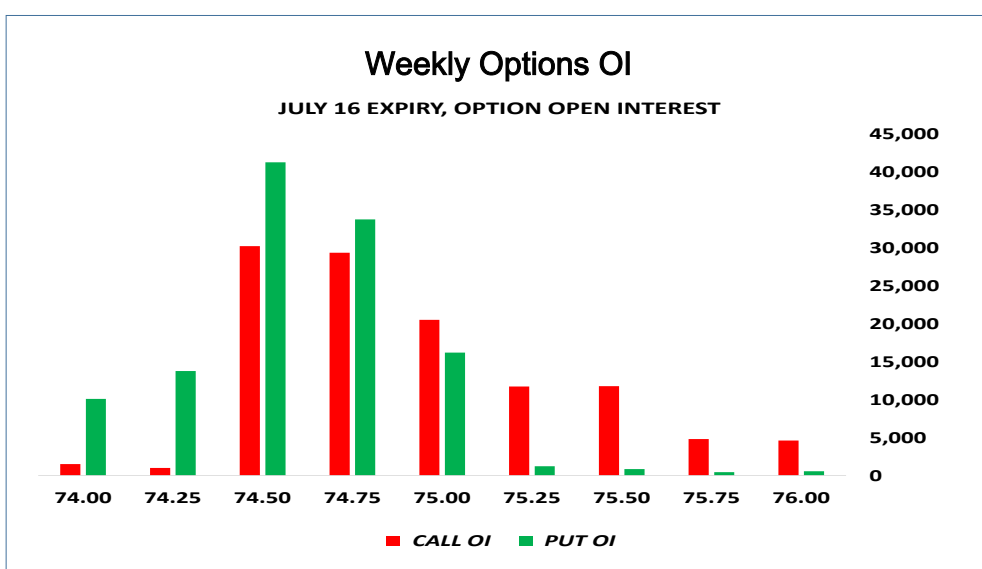


INR Pairs (Trading Range for the Day - July Futures)

	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	74.95 (0.13)	88.77 (0.28)	103.22 (-0.18)	68.21 (0.60)
Intraday View	Upward	Rangebound	Rangebound	Upward
Technical Range	74.65-75.15	88.45-88.85	102.90-103.35	68.00-68.50



USDINR Futures (July)	Carry trade connects equity markets to currency markets. Global speculators borrow in low interest-bearing currencies and invest in emerging market stocks. As a result, low interest currencies like Euro, JPY and USD tend to depreciate as EM equities move up. When that carry trade is unwound, opposite occurs. Yesterday's we got a glimpse of that carry trade unwinding. As a result, Rupee weakened against all 3 currencies, including USD. Bias remains upward but IPO flows may cap momentum. Range: 74.65-75.15.
GBPINR Futures (July)	GBPINR July futures closed 18 paise lower at 103.22. Sell off in European equity markets had a negative impact on GBPINR. Today traders will focus on monthly GDP numbers, out of UK as well as the industrial production data. A stronger than expected data can push GBPINR higher. GBPINR has been oscillating between 102.40 and 104.10 for the past 2.5 months. Buying is advised near bottom of the range with stop below 102.00 on a closing basis and target a rebound towards 104.10 levels.
EURINR Futures (July)	EURINR July futures closed 28 paise higher at 88.78. We need to keep an eye on the trend of European equity markets. If the sell-off resumes, then EURINR can rise towards 88.85/90 levels. Positional traders can look to sell near 89.00 levels with stop above 89.50 on a daily closing basis. Target a re-test of 88.00 levels.
JPYINR Futures (July)	JPYINR July futures closed 60 paise higher at 68.21 levels. We changed our bias from range to bullish at the nick of time as JPYINR surged higher yesterday on the back of carry trade unwind. Today, if the equity sell-off intensifies the JPYINR can test 68.80/69.00 levels. Bias remains upward as long as the pair manages to hold above 67.70 levels.


What Options Open Interest (OI) Saying?

Options writers are betting on USDINR to remain within a very narrow range of 74.50 and 75.00 levels on spot for at least 1 week. Large open interest is outstanding in the 74.50 put option and 75.00 call option.

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