

INR Pairs (Trading Range for the Day – Dec Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	75.63 (0.06)	85.40 (0.24)	99.87 (-0.34)	66.68 (0.13)
Intraday View	Rangebound	Rangebound	Downward	Downward
Technical Range	75.40-75.75	85.45-85.85	99.60-100.10	66.25-66.65

Important Indicators		
	DXY	USDCNH
LTP	96.03	6.3429
1W back	96.13	6.3727
1M back	93.98	6.3896

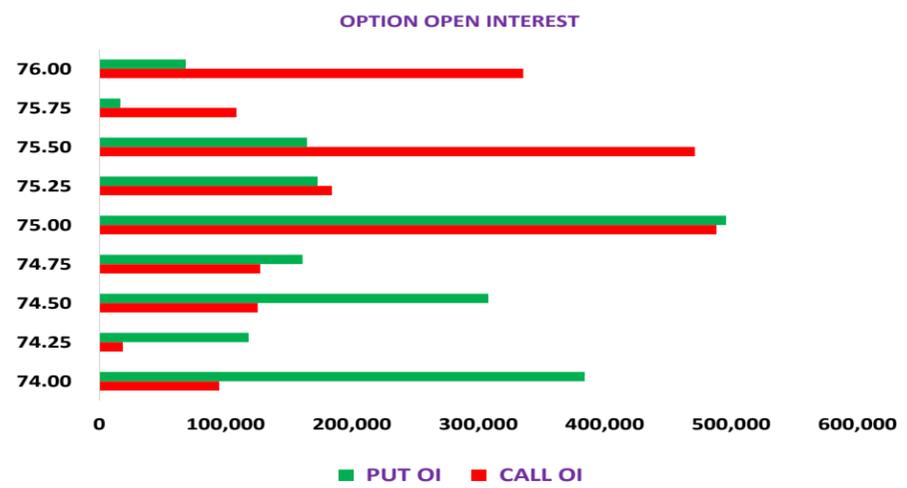


USDINR Futures (Dec)
RBI maintained status quo on rates and stance and that turned out to be a non-event for USDINR. The policy divergence between India and US, dovish v/s hawkish is not a factor enough to drive USDINR higher. The sustained up moves in USDINR occur due to combination of carry trade unwinding and FPI outflow. MTD FPI outflow has been \$2.2 billion, highest in over a year. However, the impact of that on USDINR has been muted due to low carry trade unwinding pressure and lumpy corporate \$ inflows and FDI flows. **Futures premium is at a level where a major risk aversion is needed globally to trigger a major short squeeze in USDINR. With Chinese currency trending higher, that is also dampening volatility in USDINR. Therefore, USDINR may grind higher with support near 75.30 on Dec futures and resistance 75.70 & 75.90 levels.**

GBPINR Futures (Dec)
GBPINR has come under pressure due to weakness in GBPUSD, as traders grow increasingly concerned that rising cases in UK may lead to fresh restrictive measures. If that happens, it can delay the prospect of a BoE rate hike. GBPINR may continue to face downward pressure unless USDINR can take-off. Therefore, bias **remains slightly downward.**

EURINR Futures (Dec)
EURUSD has been chopping within a range of 1.12 and 1.14. Lack of triggers is keeping the pair in a range. At the same time, a slight upward drift in USDINR, nothing major is giving EURINR an upward push. Bias remains of a range within 85.00 and 86 levels on December futures.

JPYINR Futures (Dec)
With US bond yields ticking higher due to risk on mood and uptick in oil prices, it is natural that JPYINR remains under pressure. However, the sell-off is mild as USDINR is also drifting upward. JPYINR is a derivative of the mix of USDJPY and USDINR. **Therefore, unless USDINR takes-off in a hurry, JPYINR might remain under mild downward pressure due to rising USDJPY.**



	Spot	Futures	
		Weekly Expiry 10-Dec-21	Monthly Expiry 29-Dec-21
USDINR LTP / (Previous Day)	75.45 / (75.43)	75.52 / (75.45)	75.63 / (75.56)
ATM Vols (in %)	75.50	4.10%	4.20%
ATM Straddle Price		0.19	0.62

Historical Volatility	
5 days Rolling	2.23%
21 days Rolling	3.26%

What Options Open Interest (OI) Saying?

Open interest has begun to add in 76 call options are trader seems to be betting that USDINR is seeing a gradual upward drift but it may remain capped under 76.00. At the same time large OI in 75.00 put indicates that as zone of support. IVs continues to be low due to low momentum in the underlying.

Disclaimer & Contact:

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