

INR Pairs (Trading Range for the Day – Dec Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	75.71 (0.08)	85.72 (0.32)	99.92 (0.05)	66.68 (-0.04)
Intraday View	Upward	Rangebound	Rangebound	Rangebound
Technical Range	75.50-75.95	85.30-85.80	99.90-100.40	66.50-66.95

Important Indicators		
	DXY	USDCNH
LTP	96.03	6.3698
1W back	96.13	6.3733
1M back	93.98	6.3990



**USDINR Futures (Dec)**

Yesterday, Chinese central bank announced measures to curb appreciation in the Yuan and this triggered a sharp rise in USDCNH. However, the spillover from a weak Yuan has been limited till now in Rupee but it may change if tonight's US CPI comes in hotter than expected. In that case, USDINR Dec futures can be pulled towards 76.00 levels by a stronger US Dollar Index. **We therefore, advise buying on decline with a stop below 75.50 on Dec futures on a daily closing basis. Target 76.00 and 76.25 levels.**

**GBPINR Futures (Dec)**

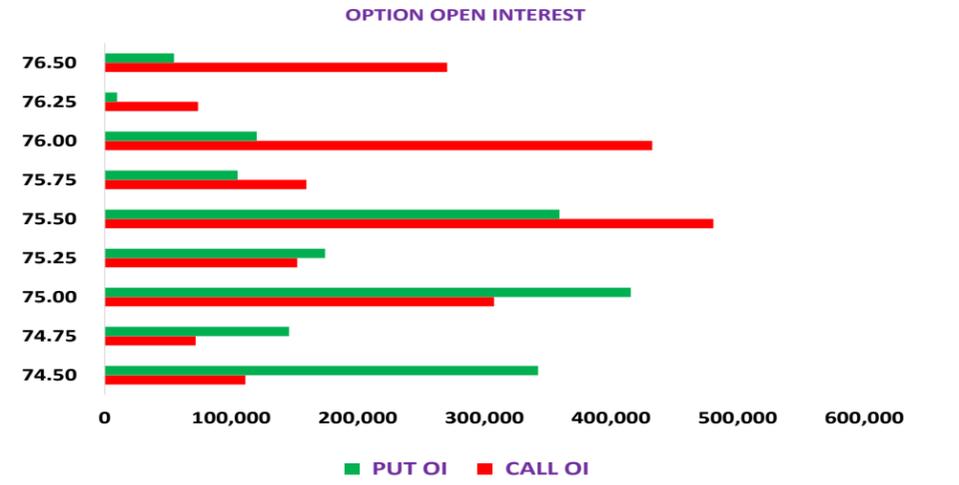
Rising covid cases in UK is weighing on GBPUSD and GBPINR. However, GBPINR is getting some support from a strong USDINR. However, it may not last long, if tonight's US CPI report turns out stronger than expected. **GBPINR may remain rangebound for the day, sandwiched between weak GBPUSD and strong USDINR.**

**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. **Bias remains downward.**

**JPYINR Futures (Dec)**

On one hand bottom in the US Bond yields and risk on rally in equities is negative for JPYINR but a strong USDINR is offsetting that impact. As a result, the pair is able to eke some gains and inch towards 67.00 levels. Bias remains of a rangebound play.



	Spot	Futures	
		Weekly Expiry 17-Dec-21	Monthly Expiry 29-Dec-21
USDINR LTP / (Previous Day)	75.52 / (75.45)	75.64 / (75.55)	75.71 / (75.62)
ATM Vols (in %)	75.75	5.40%	4.10%
ATM Straddle Price		0.39	0.58

Historical Volatility	
5 days Rolling	2.26%
21 days Rolling	3.24%

**What Options Open Interest (OI) Saying?**

Large OI in the 76 call options and 75.50 put options indicate that option sellers are betting on a narrow range of 75.50 and 76.00. IVs have jumped for weekly option but remains subdued for month end options. Low realised volatility to blame for low IV in month end options.

**Disclaimer & Contact:**

Reach us at: [ks.currency-research@kotak.com](mailto:ks.currency-research@kotak.com)      Disclaimer: <https://bit.ly/longdisc>