

INR Pairs (Trading Range for the Day – March Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	76.54 (-0.24)	84.63 (0.35)	100.78 (-0.35)	66.02 (-0.23)
Intraday View	Upward	Upward	Downward	Rangebound
Technical Range	77.25-77.85	84.00-84.60	100.00-100.60	65.50-66.00

Important Indicators		
	DXY	BRENT CRUDE
LTP	98.51	109.00
1W back	98.50	117.56
1M back	96.03	94.94



USDINR Futures (March)

Even though US yields have firmed with 10 years near 2% handle after a jump in CPI inflation during the month of February near the 8% mark but that should not have much of a negative impact on the Rupee. Instead, it can be termed as positive for Rupee, even though US Fed is going to hike rates this month. US inflation, near 8%, is above Indian CPI inflation, around 6%. Indian short-term yields and long-term yields are way above the US counterpart. This continues to provide a strong real rate differential for the Rupee, which should offer comfort to the carry traders. Hence, unless oil prices take off, USDINR is likely to remain capped under 77 levels. Brent crude prices have dropped by over 30% from the highs of \$139. As long as oil continues to slide, currently near \$108, it can push USDINR downward. USDINR needs to break below 76, to trigger stops. As of now, it's in a range between 76.00 and 77.00, but the next leg would depend on how much further oil prices fall.

GBPINR Futures (March)

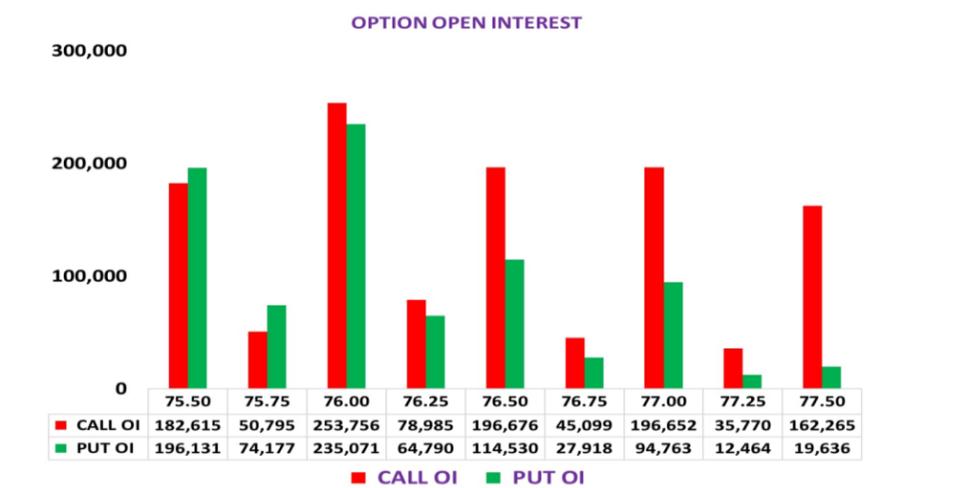
GBPINR came under pressure due to risk-off sentiments, but we expect prices to recover today if the uptrend in global markets hold up. Sentiment appears overly bearish and hence a short covering rally can occur in GBPUSD. In GBPINR, overall bias remains of a range.

EURINR Futures (March)

ECB confirmed the ending of the PEPP in March as expected with an APP downshift to €40bn in April. APP or the asset purchase program is expected to be wind down by September. The ECB also noted that any rate rise will take place 'sometime after' the end of APP and 'will be gradual'. This will provide a necessary short covering boost to EURUSD and EURINR over the near term.

JPYINR Futures (March)

Rising US bond yields is pushing USDJPY higher, inspite of a turmoil in the equity markets. We expect JPYINR to remains rangebound to slightly downward due to rising USDJPY and rangebound USDINR.



	Spot	Futures	
		Weekly Expiry 17-Mar-22	Monthly Expiry 29-Mar-22
USDINR LTP / (Previous Day)	76.30 / (76.56)	76.47 / (76.73)	76.54 / (76.79)
ATM Vols (in %)	76.50	8.25%	7.00%
ATM Straddle Price		0.70	0.97

Historical Volatility	
5 days Rolling	9.61%
21 days Rolling	8.41%

What Options Open Interest (OI) Saying?

Options OI indicate that traders are betting on a range of 76.00 and 77.00, thanks to large accumulation of open interest in 76 strike put options and 77 call options. Implied volatility has declined due to pullback in oil prices and also USDINR.

Disclaimer & Contact:

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