

| INR Pairs (Trading Range for the Day – May Futures) |              |              |               |              |
|---|--------------|--------------|---------------|--------------|
|   | USDINR       | EURINR       | GBPINR        | JPYINR       |
| LTP (% Change)                                      | 77.65 (0.24) | 81.76 (0.02) | 94.89 (-0.65) | 59.90 (0.19) |
| Intraday View                                       | Upward       | Rangebound   | Downward      | Upward       |
| Technical Range                                     | 77.40-77.85  | 81.55-82.10  | 95.65-96.15   | 59.70-60.10  |

| Important Indicators |        |             |
|----------------------|--------|-------------|
|                      | DXY    | BRENT CRUDE |
| LTP                  | 104.03 | 106.23      |
| 1W back              | 103.54 | 110.97      |
| 1M back              | 100.31 | 104.85      |



**USDINR Futures (May)**

Post US CPI release, US Dollar gradually inched higher against the major currencies. Even though there was month-on-month deceleration but the trend remains concerning and that means US Fed will remain super hawkish. Unless there is a dramatic drop in commodity prices over the next six-eight months and a remarkable easing of supply chain issues, it is quite likely that central banks around the globe will tighten the cost of money significantly over this period. This will exacerbate the tight financial conditions and worsen the growth outlook. Tight financial conditions and weak growth would mean that price multiples in risk assets may shrink further, deepening the bear market. The end game will be such a deep slowdown in growth and fall in risk assets that the central banks are forced to abandon the super hawkish rate path.

For USDINR remains in an uptrend. Positional bullish remains with a stop loss below 77 levels on futures on a closing basis. Resistance near 77.70 and 78.20. One can use call spreads and long futures to play the move. Be careful about RBI interventions.

**GBPINR Futures (May)**

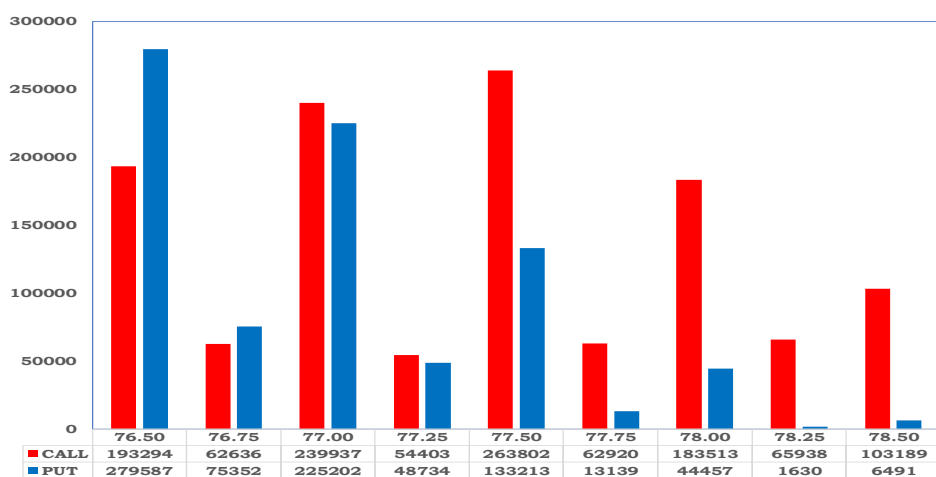
Post US CPI, GBPUSD came under heavy selling pressure and as a result dropped to a fresh low for the year. Weaker risk sentiments and higher US Dollar, all weigh on the GBP. GBPINR will get support from a strong USDINR. However, the overall trend is rangebound to weak.

**EURINR Futures (May)**

EURUSD has done well compared with GBPUSD as the former is being supported by the belief that ECB is ready to raise rates in the July meeting. It seems ECB too wants to do a small hike and enter their name in the central banker's race to higher. However, the overall trend for EURUSD remains downward. But a strong USDINR should support EURINR. As a result, we could see range-bound price action in EURINR today.

**JPYINR Futures (May)**

With a lack of momentum from USDJPY, JPYINR should be guided by USDINR. A strong USDINR can push JPYINR higher. Bias remains slightly upward for today.



|                             | Spot            | Futures                    |                             |
|-----------------------------|-----------------|----------------------------|-----------------------------|
|                             |                 | Weekly Expiry<br>20-May-22 | Monthly Expiry<br>27-May-22 |
| USDINR LTP / (Previous Day) | 77.62 / (77.24) | 77.63 / (77.35)            | 77.67 / (77.41)             |
| ATM Vols (in %)             | 77.50           | 6.60%                      | 6.77%                       |
| ATM Straddle Price          |                 | 0.61                       | 0.80                        |
| Historical Volatility       |                 |                            |                             |
| 5 days Rolling              |                 | 8.96%                      |                             |
| 21 days Rolling             |                 | 6.52%                      |                             |

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

Option sellers are betting on prices to drift higher with 77 support. Implied volatility has increased as USDINR is at an all-time high.