

| INR Pairs (Trading Range for the Day – Dec Futures) |              |              |               |              |
|---|--------------|--------------|---------------|--------------|
|   | USDINR       | EURINR       | GBPINR        | JPYINR       |
| LTP (% Change)                                      | 75.88 (0.05) | 85.55 (0.06) | 100.59 (0.46) | 66.72 (0.06) |
| Intraday View                                       | Upward       | Rangebound   | Rangebound    | Rangebound   |
| Technical Range                                     | 75.65-76.15  | 85.40-85.90  | 99.95-100.50  | 66.60-67.00  |

| Important Indicators |       |        |
|----------------------|-------|--------|
|                      | DXY   | USDCNH |
| LTP                  | 96.40 | 6.3713 |
| 1W back              | 96.13 | 6.3633 |
| 1M back              | 95.52 | 6.3833 |



**USDINR Futures (Dec)**

With global equity markets under pressure and US Dollar Index on the upswing, USDINR has the wind in its sails to climb past 76.00 hurdle and aim for 76.35/40 levels. However, in spite of the uptrend, the pace of appreciation has been slow and therefore we may have to settle for smaller gains ahead of US FOMC. Much depends on US FOMC as expectation going into the meeting is very high. Consensus is for US Fed to double pace of monthly taper to \$30 billion and signal 3 hikes over 2022. **We therefore, advise buying on decline with a stop below 75.50 on Dec futures on a daily closing basis. Target 76.40/50 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. GBPINR faces multiple event risks, UK jobs data, inflation and retail sales and BOE meeting. Therefore, stick to intraday trades over positional ones as volatility can be high and price movement erratic.

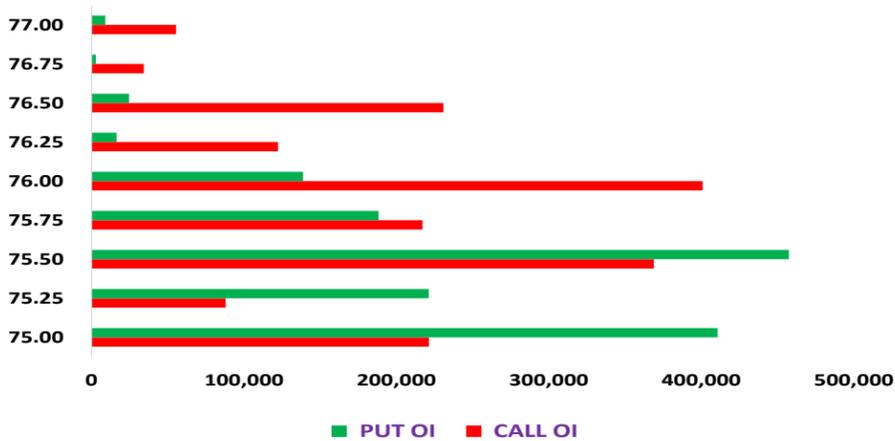
**EURINR Futures (Dec)**

EURUSD is showing weakness ahead of US FOMC and ECB policy meeting. Ahead of the twin events on Wednesday and Thursday, EURINR is expected to remain rangebound, sandwiched between opposing trends in EURUSD and USDINR.

**JPYINR Futures (Dec)**

JPYINR has twin event risks this week, first with US FOMC tomorrow night, followed by Bank of Japan meeting, coming Friday morning. Volatility can be high. Therefore, stick into intra-day trades and avoid carrying large overnight positions.

OPTION OPEN INTEREST



|                             | Spot            | Futures                    |                             |
|-----------------------------|-----------------|----------------------------|-----------------------------|
|                             |                 | Weekly Expiry<br>17-Dec-21 | Monthly Expiry<br>29-Dec-21 |
| USDINR LTP / (Previous Day) | 75.76 / (75.77) | 75.80 / (75.76)            | 75.88 / (75.83)             |
| ATM Vols (in %)             | 76.00           | 4.80%                      | 4.30%                       |
| ATM Straddle Price          |                 | 0.35                       | 0.55                        |

| Historical Volatility |       |
|-----------------------|-------|
| 5 days Rolling        | 2.19% |
| 21 days Rolling       | 3.07% |

**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. Risk of short squeeze if any of futures sustain below 75.50 or 76.00 levels. IVs are subdued for month end as realised volatility remains low due to slow up move.

**Disclaimer & Contact:**

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