

INR Pairs (Trading Range for the Day – March Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	76.68 (0.04)	84.07 (-0.37)	99.97 (-0.50)	65.06 (-0.50)
Intraday View	Downward	Rangebound	Upward	Rangebound
Technical Range	76.30-76.70	83.75-84.35	99.45-100.05	64.50-66.05

Important Indicators		
	DXY	BRENT CRUDE
LTP	98.92	102.64
1W back	99.08	129.08
1M back	95.98	93.36



USDINR Futures (March)

A sharp slide in oil prices is a positive development for the Indian Rupee. Even though negative factors like the weak Chinese Yuan and rising US bond yields are present but slide in oil prices could be enough to pull USDINR back towards 76 levels on spot. However, a sell-off may occur post US FOMC, assuming US Fed delivers as expected. Fed is expected to hike rates by 25 bps, raise inflation forecast and trim growth expectations. However, they are not expected to opt for a 50-bps now or in the future and they are expected to announce the balance sheet run-off plan, of around \$100 billion per month sometime in May or June. Therefore, barring any major twists from Fed, USDINR may cool off due to financial year-end selling that is seen, during the last two weeks of March. One can look to sell with a stop above 76.75 on a daily close basis for a spot.

GBPINR Futures (March)

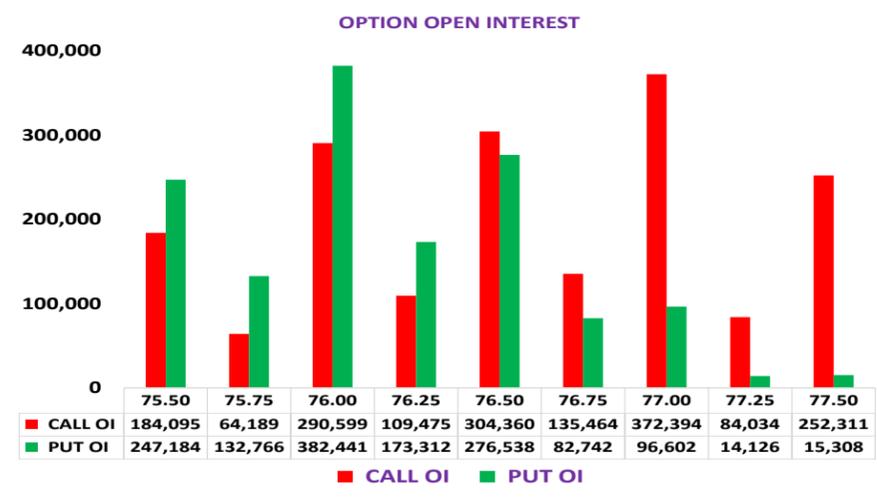
BoE is widely expected to raise bank rate from 0.5% to 0.75% on Thursday. However, there is risk that BOE may pour cold water over expectation that the central bank will keep hiking rates towards 2% by December end. However, the near 5% drop since the Ukraine conflict began has more or less discounted the negatives. Therefore, there is a strong possibility of a rally post BOE. Hence, we would look for buying opportunities in GBPUSD and GBPINR over the near term.

EURINR Futures (March)

Ahead of US FOMC, EURUSD is getting a mild lift. However, after a slightly hawkish statement from ECB last week, the policy divergence theme has reduced a bit not whole lot. US central bank is going to move towards rate hikes and balance sheet run-off, whereas ECB is still looking at ending QE before year end. However, with falling oil prices, if sentiments improve, then EURUSD can recover towards 1.1140/50 levels and so will EURINR.

JPYINR Futures (March)

Rising US bond yields is pushing USDJPY higher. There is a possibility that US bond yields may peak post US Fed and that may bring about a pullback in USDJPY and JPYINR as well. For the day, one can look at selling opportunities in JPYINR.



	Spot	Futures	
		Weekly Expiry 17-Mar-22	Monthly Expiry 29-Mar-22
USDINR LTP / (Previous Day)	76.56 / (76.59)	76.61 / (76.57)	76.68 / (76.63)
ATM Vols (in %)	76.50	9.15%	7.00%
ATM Straddle Price		0.46	0.88

Historical Volatility	
5 days Rolling	5.08%
21 days Rolling	8.48%

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 can continue to decline. **Short Vega, with Gamma Neutral & Delta Neutral can be considered.**

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