

INR Pairs (Trading Range for the Day – March Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	76.62 (-0.04)	84.25 (0.12)	100.05 (0.06)	64.98 (-0.06)
Intraday View	Downward	Rangebound	Upward	Rangebound
Technical Range	76.25-76.70	83.65-84.20	99.70-100.15	64.50-65.00

Important Indicators		
	DXY	BRENT CRUDE
LTP	98.89	101.22
1W back	98.00	112.06
1M back	95.78	91.72

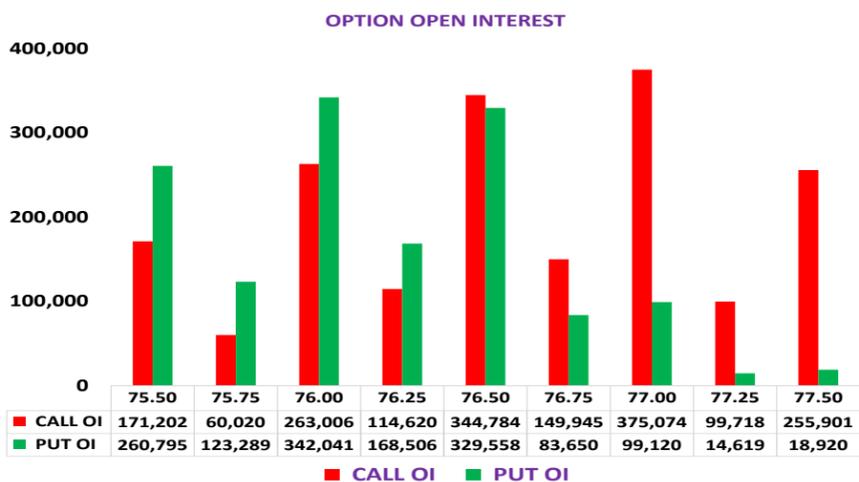


USDINR Futures (March)
Oil prices are holding around \$100 and USDCNH has pulled back, allowing for Rupee to strengthen against the US Dollar. US Fed is expected to hike rates by 25 bps. They are not expected to announce a balance sheet run-off in this meeting but we expect a clear hint to be given that the balance sheet run-off is coming soon. If Fed delivers as expected then there may not be much impact on USDINR post-FOMC USDINR may continue its downward drift towards 76 levels. However, if Fed were to drop a hint of a 50-bps hike in the upcoming meetings, then it can have a positive impact on USDINR. We expect USDINR to drift lower, towards 76 levels, within a broad range of 76 and 77 on 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)
Economic sentiment worsened in Eurozone due to Russia-Ukraine conflict. "A recession is becoming more and more likely," said ZEW president Achim Wambach, adding the Russia-Ukraine crisis and related sanctions are "significantly dampening the economic outlook for Germany." EURUSD and EURINR are mostly flat ahead of US central bank meeting tonight.

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 25-Mar-22	Monthly Expiry 29-Mar-22
USDINR LTP / (Previous Day)	76.60 / (76.56)	76.60 / (76.66)	76.68 / (76.63)
ATM Vols (in %)	76.50	6.50%	6.90%
ATM Straddle Price		0.66	0.84

Historical Volatility	
5 days Rolling	5.20%
21 days Rolling	8.30%

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 post FOMC. **Short Vega, with Gamma Neutral & Delta Neutral can be considered.**

Disclaimer & Contact:

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