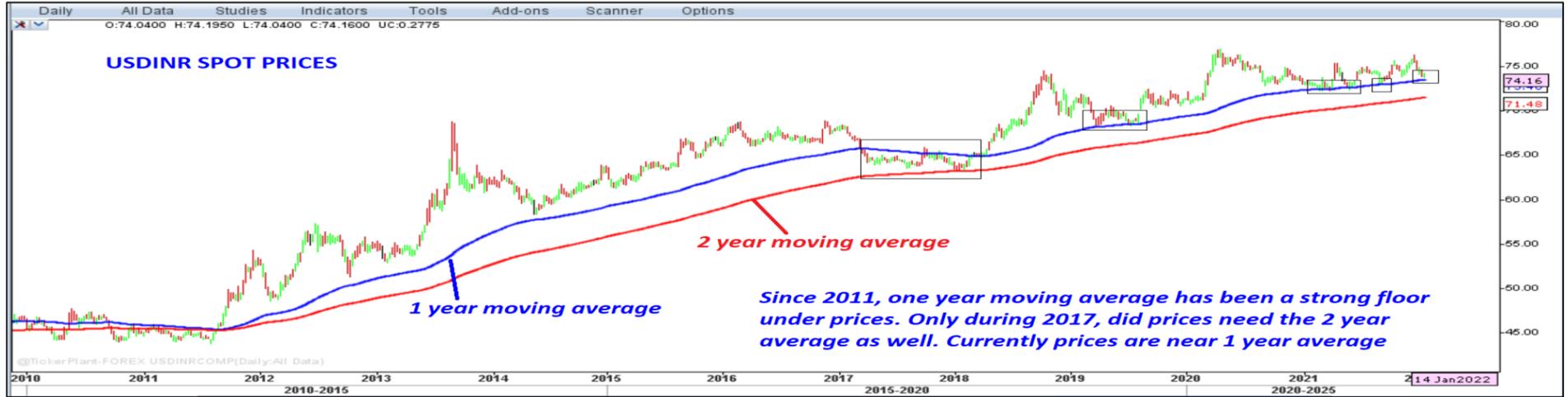


INR Pairs (Trading Range for the Day – Jan Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	74.21 (0.18)	84.99 (0.11)	101.83 (0.12)	65.12 (0.43)
Intraday View	Rangebound	Rangebound	Rangebound	Rangebound
Technical Range	75.30-75.75	84.50-84.95	101.30-101.80	64.70-65.20

Important Indicators		
	DXY	BRENT CRUDE
LTP	95.23	86.34
1W back	95.94	81.00
1M back	96.67	72.96



**USDINR Futures (Jan)**

Today focus is on China and oil prices. With US markets shut, volatility can be limited. However, what can still trigger some volatility is policy action in China and Brent hovering near 52-week high. Historically this zone near its one-year average USDINR tends to form a bottom, as RBI intervention increases to the point that Rupee is unable to appreciate beyond that point. Over the past one week, we suspect RBI has intervened strongly to offer signs of a floor. However, upside remains capped as long as a cocktail for weak equity and strong \$ against Ems is not becoming a reality. The strongly divergent monetary policy between US and China has in the past triggered EMFX depreciation via weak CNH/CNY but that is missing as of now. **Therefore, USDINR may slip into a range between 73.70/80 and 74.40/50 on spot.**

**GBPINR Futures (Jan)**

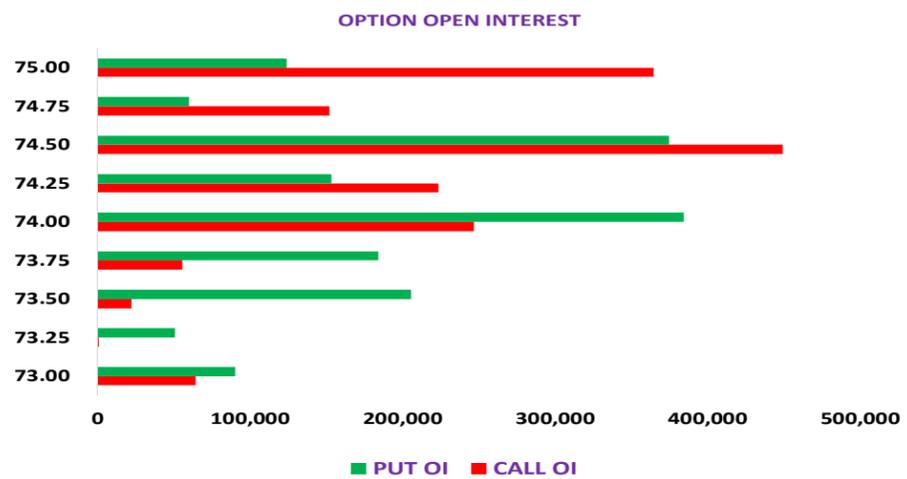
This week there are high-profile economic data to be released from the UK. UK employment report, inflation data, and retail sales will be keenly watched. We are hoping for a strong job market, high inflation, and a slightly downbeat retail sales report, which would be enough to push GBPINR towards 102.50 levels. **The bias remains upward.**

**EURINR Futures (Jan)**

This week focus will be on the Eurozone ZEW investor survey and ECB minutes. ECB remains one of the dovish central banks in the DM space. If ECB maintains its dovishness in their minutes of the last meeting, then EURINR can come under selling pressure. Overall, **EURINR may remain rangebound due to a lack of major economic releases from either Eurozone or the US.**

**JPYINR Futures (Jan)**

This week, monetary policies from the Bank of Japan and the Chinese central bank can have some bearing on the currency pair. However, the bigger trends in the pair will be dictated by the interplay of (i) USDINR (ii) USDJPY. USDJPY in turn will be influenced by the movement of the US bond yields, DXY, and trends in global stocks. Bias remains of rangebound trading.



	Spot	Futures	
		Weekly Expiry 21-Jan-22	Monthly Expiry 27-Jan-22
USDINR LTP / (Previous Day)	74.16 / (73.88)	74.16 / (73.98)	74.21 / (74.03)
ATM Vols (in %)	<b>74.25</b>	4.30%	4.35%
ATM Straddle Price		0.31	0.43

Historical Volatility	
5 days Rolling	4.40%
21 days Rolling	3.97%

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

Option writers have accumulated large open interest in 74.50 strike call options and 74.00 put options, suggesting a range of 74.00 and 74.50 levels. If USDINR manages to squeeze 74.50 strike call writers, then IV can rise by 30/40 bps.