

INR Pairs (Trading Range for the Day – Feb Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	75.16 (-0.20)	85.57 (0.03)	101.96 (-0.13)	65.02 (-0.17)
Intraday View	Downward	Rangebound	Rangebound	Downward
Technical Range	74.75-75.25	85.10-85.60	101.65-102.15	64.75-65.15

Important Indicators		
	DXY	BRENT CRUDE
LTP	95.76	92.69
1W back	95.79	91.36
1M back	95.25	86.53



USDINR Futures (Feb)

US economic data came red hot with retail sales for the month of January rising at 3.8%, faster than expected and industrial production rose 1.4%, much faster than expected. Very high inflation has not yet dented consumer spending and that should give comfort to the hawks in the US FOMC. The odds of a 50-bps hike are well above 60%. However, all these have failed to boost USD against either majors or Asian currencies as US Fed minutes did not drop any hint of a 50-bps hike in March. At the same time, oil prices have come under pressure as news surfaced of talks with Iran over nuclear energy is progressing well and a deal could be near. The rupee today has a tailwind of weaker oil and weak USD overseas, and also positive risk sentiments. **Therefore, sell on rise with a stop above 75.30 on a daily closing basis. Support near 74.90 and then 74.55.**

GBPINR Futures (Feb)

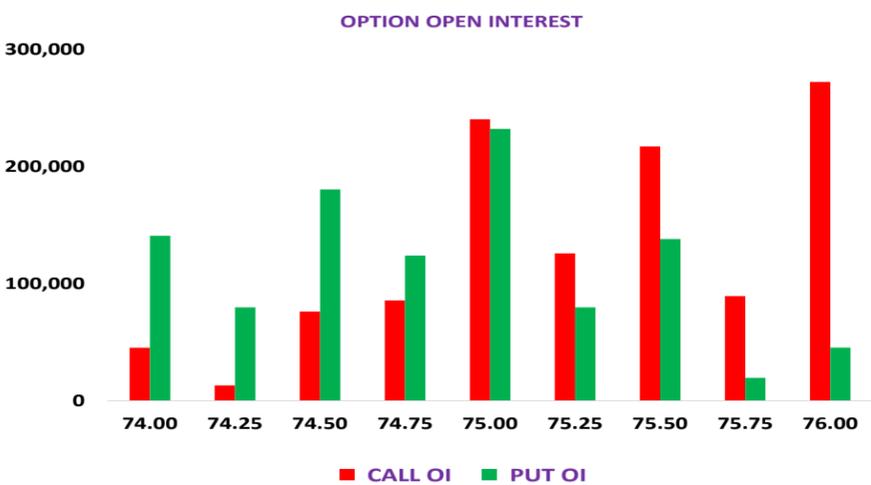
UK inflation has accelerated to the highest rate in 30 years, further squeezing living standards and increasing pressure on the Bank of England to raise interest rates again. CPI rose at an annual rate of 5.5 per cent last month, up from 5.4 per cent in December. **Bias continues to be rangebound for now for GBPINR due to weak USDINR. However, once USDINR find a bottom, GBPINR will become a strong buy.**

EURINR Futures (Feb)

With US central bank not dropping any hint of a 50-bps hike in March, EURUSD got a boost but due to weak USDINR, EURINR would not be able to reap its benefit. EURINR may see muted action today, primarily driven by trend in USDINR. **Bias remains of a rangebound activity in EURINR.**

JPYINR Futures (Feb)

USDJPY is stuck in a range but a weak USDINR is pushing JPYINR downward. Over the near term, USDINR will be the driver of JPYINR. If USDINR weakens further than it can drag JPYINR down with it.



	Spot	Futures	
		Weekly Expiry 25-Feb-22	Monthly Expiry 24-Feb-22
USDINR LTP / (Previous Day)	75.07 / (75.33)	75.21 / (75.38)	75.17 / (75.36)
ATM Vols (in %)	75.25	4.75%	4.70%
ATM Straddle Price		0.45	0.42

Historical Volatility	
5 days Rolling	6.47%
21 days Rolling	4.55%

What Options Open Interest (OI) Saying?

The stronghold of \$ bulls remains near 75 as large OI continues to accumulate in 75 strike put options. If that level is broken then hedge related selling can drive futures lower. IVs continue to melt as USDINR treks lower.

Disclaimer & Contact:

Reach us at: ks.currency-research@kotak.com

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