

INR Pairs (Trading Range for the Day – Jan Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	74.66 (0.32)	85.07 (0.14)	101.63 (-0.03)	65.12 (0.15)
Intraday View	Upward	Rangebound	Rangebound	Rangebound
Technical Range	74.40-74.90	84.35-84.85	101.30-101.85	64.90-65.40

Important Indicators		
	DXY	BRENT CRUDE
LTP	95.75	88.56
1W back	94.98	84.72
1M back	96.50	72.08



**USDINR Futures (Jan)**

The double negative or dual headwind for the Rupee remains in place by way of oil prices which have surged to 7 years high and US bond yields which are at a 2 year high. On one hand, high oil creates the risk of higher inflation and comes as a tax on consumers, and on the other, the rising real yields in US yields increase the appeal of USD assets over EM assets. USDINR has scope to rise towards 75.00/75.30 levels over the near term if this cocktail of headwinds can linger on. **Technically, the trend is upward and momentum is strong. Buy on the decline is advised with a stop below 74.30 spot on a daily closing basis.**

**GBPINR Futures (Jan)**

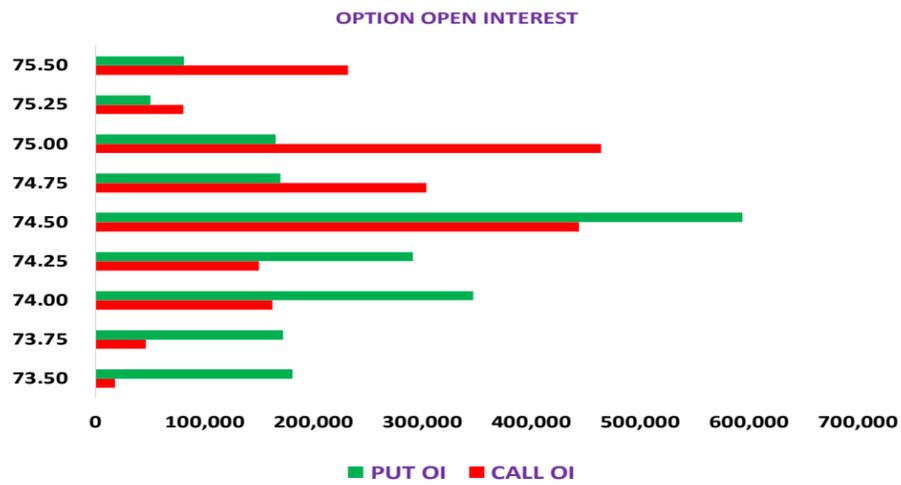
A negative environment for risk with global equities selling-off is a headwind for GBP. A strong US Dollar Index is an additional drag. GBPUSD can head lower and test 1.3530 levels, which can pull GBPINR towards 101.20 levels. However, if USDINR maintains its upward trend, then it can offset some of the weaknesses. **Today's focus will be on UK CPI. Bias remains of a range in GBPINR.**

**EURINR Futures (Jan)**

EURUSD has come under pressure as rising real yields in US is driving up demand for the US Dollar. EURINR can face more selling pressure over the near term. Support is near 84.30 and 84.00 and resistance is near 84.80 levels. **Bias remains rangebound to slightly downward.**

**JPYINR Futures (Jan)**

Strong US bond yields and surging oil prices are a double negative for JPY but if USDINR can manage to move higher, then it may offset some of that negative. Therefore, JPYINR could be in for a period of rangebound price action. **Stick to intra-day trades. If risk-off intensifies in global markets, then look for intra-day buying opportunities.**



	Spot	Futures	
		Weekly Expiry 21-Jan-22	Monthly Expiry 27-Jan-22
USDINR LTP / (Previous Day)	74.58 / (74.24)	74.62 / (74.29)	74.66 / (74.34)
ATM Vols (in %)	<b>74.50</b>	4.80%	4.35%
ATM Straddle Price		0.24	0.39

Historical Volatility	
5 days Rolling	3.50%
21 days Rolling	4.47%

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

USDINR can aim for the 75 levels where option writers have a large amount calls written for the weekly and month-end expiries in Jan. At the same time, large OI in 74.50 put option should provide strong support there. IV can rise as USDINR pushes higher.

**Disclaimer & Contact:**

Reach us at: [ks.currency-research@kotak.com](mailto:ks.currency-research@kotak.com)      Disclaimer: <https://bit.ly/longdisc>