

INR Pairs (Trading Range for the Day – Jan Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	74.50 (-0.18)	84.54 (-0.50)	101.58 (-0.05)	65.08 (-0.03)
Intraday View	Upward	Downward	Upward	Downward
Technical Range	74.25-74.70	84.30-84.80	101.20-101.70	64.90-65.35

Important Indicators		
	DXY	BRENT CRUDE
LTP	95.52	88.10
1W back	94.85	84.07
1M back	96.50	72.08



USDINR Futures (Jan)

Yesterday there was a sharp pullback in USDINR on the back of large corporate \$ inflows and then stop-loss selling from speculators and bank dealers. Corporate \$ inflows have been a major savior of Rupee over the past few months, even when FPI has sold a significant quantity of stocks and bonds. With oil prices and the US yields both holding steady near their multi-year highs, USDINR should get strong support at lower levels. **Technically, bias remains upward as long as the USDINR spot holds above 74.25 levels and futures above 74.30/35 levels. Resistance near 74.80/85.**

GBPINR Futures (Jan)

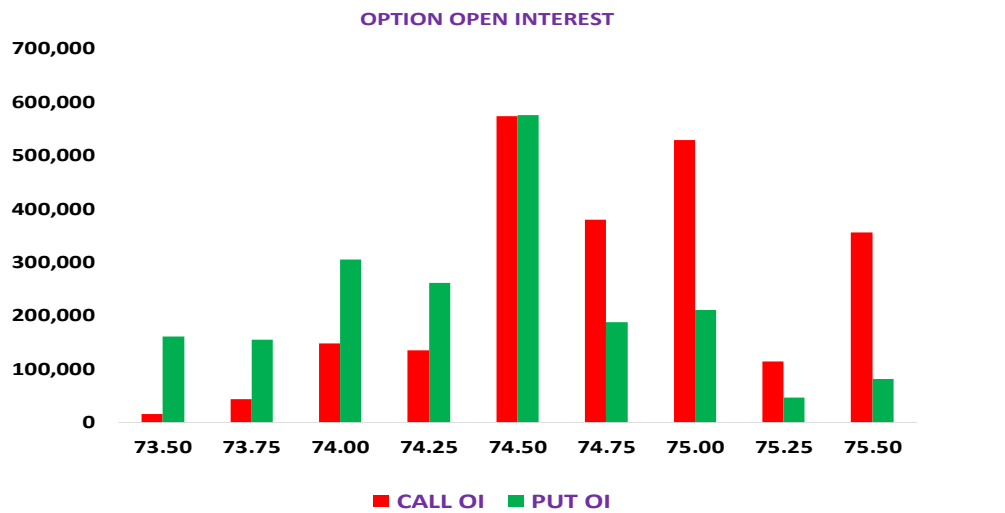
With UK looking to phase out all COVID related restrictions, growth can improve in UK. Yesterday, CPI inflation jumped to highest level since 1992 and with growth outlook improving, can prompt more hawkish moves from the Bank of England. At the same time, with risk on mood in global equities, **GBPUSD can rise, which in turn can push GBPINR higher, assuming USDINR will remain steady.**

EURINR Futures (Jan)

EURUSD took support near 1.13 levels but for it to rally meaningfully, risk sentiments have to firm up. Policy divergence between Eurozone and US is not going to go away any time soon and that is what is keeping upside capped in both EURINR and EURUSD. **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)	74.42 / (74.58)	74.44 / (74.63)	74.50 / (74.68)
ATM Vols (in %)	74.50	5.00%	4.25%
ATM Straddle Price		0.16	0.35

Historical Volatility	
5 days Rolling	4.45%
21 days Rolling	4.35%

What Options Open Interest (OI) Saying?

USDINR is right on the 74.50 mark where large OI exists for both calls and puts. One can consider the current level as the equilibrium level for the market for January expiry. IVs have come off due to corrective decline in USDINR.

Disclaimer & Contact:

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