

INR Pairs (Trading Range for the Day – Feb Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	74.70 (-0.41)	84.83 (-0.58)	101.70 (-0.49)	64.89 (-0.39)
Intraday View	Downward	Rangebound	Rangebound	Downward
Technical Range	74.35-74.95	84.45-85.00	101.35-101.85	64.65-65.20

Important Indicators		
	DXY	BRENT CRUDE
LTP	95.86	93.11
1W back	96.28	95.70
1M back	95.63	87.70

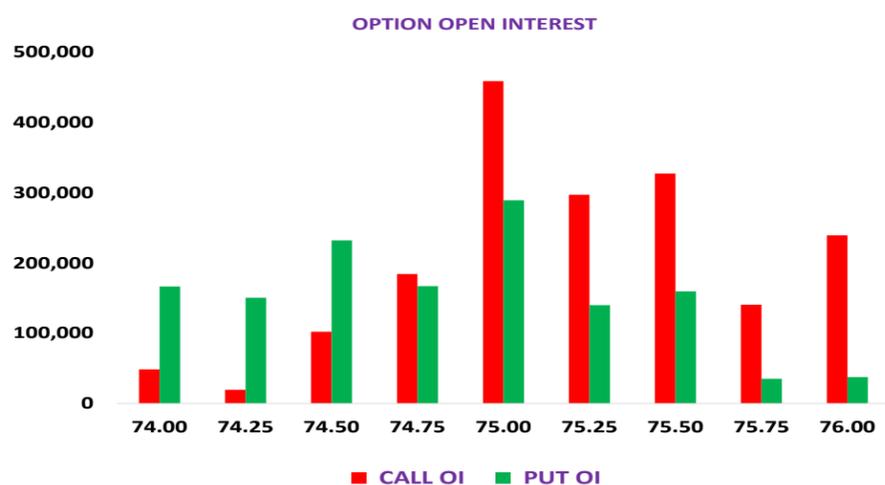


USDINR Futures (Feb)
LIC IPO and related to it the FPI flows have already begun to make headlines. Even though FPIs have shied away from investing large sums in PSU stocks but there is a growing expectation that they may show decent interest in the LIC IPO. Newswires are suggesting mid-March as the date for the launch of the IPO. With global risk sentiments stable and Asian currencies strong, carry traders may have already begun to take long INR bets expecting a large FPI bet in LIC. Leveraged bets can create their own momentum. As long as RBI is not stepping in, Rupee can continue to appreciate. **Sell on rise is advisable with a stop above 75.00 levels on spot, on a closing basis. Support is near 74.40 and 74.00.**

GBPINR Futures (Feb)
After a strong set of jobs, inflation, and retail sales data for the month of January, the focus will be on Feb flash PMIs from the manufacturing and services sectors. A stronger data can send GBPUSD higher, towards 1.37 levels. **However, a rising GBPUSD may continue to have a limited impact on GBPINR as long as USDINR remains in a downtrend. Once USDINR stabilise, then GBPINR can become a strong bullish bet.**

EURINR Futures (Feb)
Flash PMIs from Eurozone and German IFO will be the events to watch this week and which will impact EURUSD and EURINR. However, with a lack of momentum in EURUSD, it is the falling USDINR, which is dragging EURINR lower. **Bias remains of a rangebound activity.**

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 then it can drag JPYINR down with it. **The bias remains downward.**



	Spot	Futures	
		Weekly Expiry 25-Feb-22	Monthly Expiry 24-Feb-22
USDINR LTP / (Previous Day)	74.66 / (75.10)	74.72 / (75.13)	74.70 / (75.11)
ATM Vols (in %)	74.75	5.45%	5.10%
ATM Straddle Price		0.38	0.32

Historical Volatility	
5 days Rolling	5.49%
21 days Rolling	4.82%

What Options Open Interest (OI) Saying?

Once the 75 strike option writers were squeezed, USDINR declined swiftly. Option writers are yet to build sizable OI in OTM put strikes. With large OI in 75 strike call, the bet is that prices will remain below that level. IV remains elevated due to geopolitical tensions and high realised volatility.

Disclaimer & Contact:

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