

INR Pairs (Trading Range for the Day – April Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	76.30 (0.03)	82.71 (-0.07)	99.63 (0.04)	59.57 (-0.15)
Intraday View	Rangebound	Downward	Rangebound	Downward
Technical Range	76.10-76.50	82.45-82.95	99.35-99.90	59.35-59.85

Important Indicators		
	DXY	BRENT CRUDE
LTP	100.49	107.72
1W back	100.33	111.15
1M back	98.15	116.13



USDINR Futures (April)

When there are no dominant factors at play, USDINR would react to news and flows. Lack of momentum is a sign of lack of commitment from bigger hands. This market is sitting pretty in the lap of the option sellers. Having defended the 76.50 well, they will now look to defend the 76.00/76.25 range as large OI is accumulated in the put options. Global markets are also not offering many cues. However, during the day keep an eye on the USDCNH, US Dollar Index, and equity markets. They will offer guidance to intra-day moves of 20/25 paise. Traders are advised to keep their focus trained on credit strategies via options. A rangebound market is a place where short options are preferred over futures.

GBPINR Futures (April)

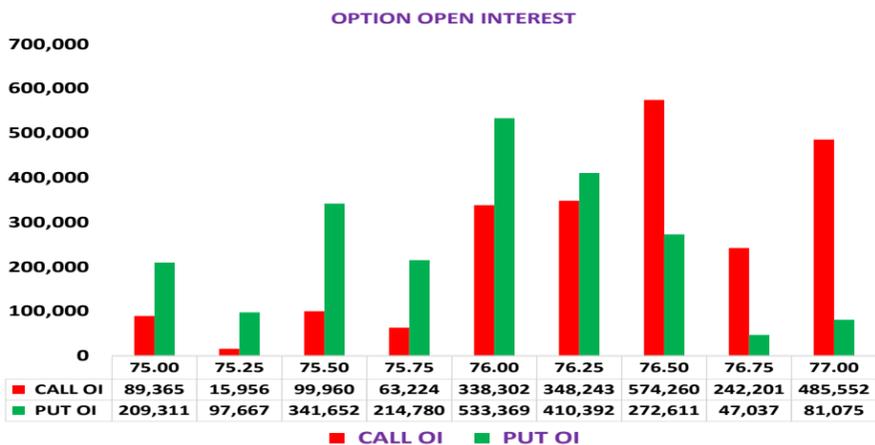
Overnight there was no fresh market-moving news for GBP pairs. Therefore, today GBP will respond to moves in the US bond yields, risk sentiments, and of course commentary from BOE chief Bailey, which is scheduled late at night. It is clear that BOE is not going to match the aggressiveness of the Fed but that does not mean BOE will be dovish like ECB. Hence, over the medium term, GBPINR can continue to outperform EURINR, unless some fresh UK-specific risk emerges. For the day, we are betting on a rangebound play.

EURINR Futures (April)

Yesterday EURUSD and EURINR popped higher, albeit briefly, as ECB Governing Council member Martins Kazaks said that it's possible to hike the interest rate in July. However, the pop did not materialize in a sustained-up move as traders are not sanguine as to whether his boss Ms. Lagarde would share similar hawkish views. Hence, EURUSD will face selling pressure. EURINR could slip into a range for the time being if USDINR recovers. For the day, we expect EURINR to be rangebound.

JPYINR Futures (April)

After a record run of 13 consecutive days of up closes and mopping nearly 6% gains, USDJPY cooled off yesterday. But it is early to talk about a top as JPY is one currency, once it latches onto a strong theme, it continues to trend, till an opposite force emerges. The carry traders in and outside Japan are the major contributors to this trend. They are switching from Japanese bonds to US bonds, due to higher yields. This is causing JPY to fall and USD to rise. In turn, pushing JPYINR lower. Till now, BOJ and MoF have only done light verbal intervention, hence the market has ignored them. But we need to be watchful. If their rhetoric changes to an aggressive tone or they come out with regulatory measures targeting local currency speculators, then it can trigger a durable rally in JPY. Till then, JPYINR is in a downward trend.



	Spot	Futures	
		Weekly Expiry 22-Apr-22	Monthly Expiry 27-Apr-22
USDINR LTP / (Previous Day)	76.29 / (76.22)	76.30 / (76.26)	76.32 / (76.27)
ATM Vols (in %)	76.25	5.51%	4.80%
ATM Straddle Price		0.25	0.44

Historical Volatility	
5 days Rolling	4.75%
21 days Rolling	5.76%

What Options Open Interest (OI) Saying?

Option sellers are betting on a range between 76.00 and 76.50 on spot. IVs can remain subdued.