

INR Pairs (Trading Range for the Day – Dec Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	75.94 (-0.16)	85.58 (-0.53)	100.26 (-0.83)	66.86 (-0.16)
Intraday View	Downward	Downward	Rangebound	Rangebound
Technical Range	75.60-76.10	85.25-85.85	99.80-100.35	66.45-67.00

Important Indicators		
	DXY	USDCNH
LTP	96.46	6.3832
1W back	96.56	6.3738
1M back	96.50	6.3901



USDINR Futures (Dec)

We suspect RBI may have intervened aggressively to prevent Rupee from sliding towards its all-time lows. This intervention was necessary to reverse the narrative that RBI will allow Rupee depreciate further. RBI understands that allowing one-way depreciation in Rupee can become a runaway trend after a point as carry traders and speculators add fuel to the fire. A weaker Rupee can add to inflationary pressures. Considering all this, it made sense for RBI to intervene and they did. At the same time, RBI announcing a VRR auctions to suck out liquidity pushed up rates across the yield curve and money market, thereby solidifying the narrative that RBI is going for stealth tightening in monetary policy. This somewhat deflates the monetary policy divergence angle for bearish Rupee play. **USDINR has scope to test 75.50/60 with 76.20 as resistance.**

GBPINR Futures (Dec)

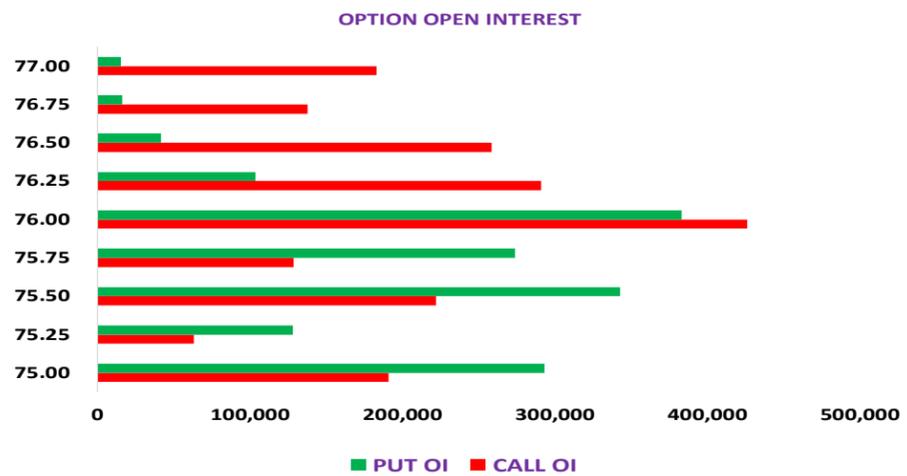
Rising cases of OMICRON in UK is increasing the risk of tightened restrictions. Add to the risk off in global markets and weak USDINR. Hence, no surprise the way GBPINR retraced the last week's BOE and data rally in couple of days. GBPINR is back to 100 levels and it is expected to find support near 99.60/70 levels and resistance is near 100.60/80 levels. We may see some recovery in GBPINR today, provided USDINR can find support. **Bias remains of a Rangebound play.**

EURINR Futures (Dec)

EURINR came under selling pressure yesterday due to poor macro set up in Eurozone and weakness in USDINR. Rising restrictions and lockdowns in Europe due to COVID, sky high prices of energy and supply chain issues are sure to crimp growth momentum. This means ECB will remain dovish for long. Today, we expect EURINR to trade a bit higher on softer DXY but **bias remains downward in the pair with 86 as major resistance zone on December futures.**

JPYINR Futures (Dec)

Thanks to rally in Asian equity markets and weakness in USDINR, JPYINR may open gap down. If USDINR continues to sell-off today as well, then JPYINR can fall towards 66.50 levels on December futures.



	Spot	Futures	
		Weekly Expiry 24-Dec-21	Monthly Expiry 29-Dec-21
USDINR LTP / (Previous Day)	75.90 / (76.08)	75.93 / (76.08)	75.94 / (76.10)
ATM Vols (in %)	76.00	4.35%	3.70%
ATM Straddle Price		0.28	0.35

Historical Volatility	
5 days Rolling	4.63%
21 days Rolling	3.44%

What Options Open Interest (OI) Saying?

Having squeezed shorts in 75 strike put options, USDINR can gun for 75.75 and 75.50 put options OI. Option sellers are betting on a range of 75.50 and 76.25 levels. Implied volatility has come-off due to low realized volatility.

Disclaimer & Contact:

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