

INR Pairs (Trading Range for the Day – March Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	76.28 (0.42)	84.20 (0.28)	100.19 (0.07)	64.08 (0.01)
Intraday View	Upward	Rangebound	Upward	Rangebound
Technical Range	76.20-76.80	83.85-84.40	100.30-100.80	63.55-64.10

Important Indicators		
	US 2y YIELD	BRENT CRUDE
LTP	2.18%	118.29
1W back	1.85%	97.49
1M back	1.55%	96.42



USDINR Futures (March)

Yesterday the US Fed chairperson sounded overly hawkish and indicated that rates may rise more than 25-bps if needed to combat inflation. This has pushed US bond yields higher and also helped US Dollar Index to gain ground. However, Rupee has to contend with an additional menace, which is oil prices. Brent after having dipped below \$100 last week, is now inching closer to \$120. Rising oil prices and rising yields are a double negative for the Rupee. However, there can be lumpy \$ inflows and that will cause two-way volatility. Additionally, RBI will be on the offer, if USDINR gets closer to all-time highs near 77 on spot. **Bias is upward and hence, look to buy USDINR on the decline with a stop below 76.20 on spot, on a daily closing basis. Resistance is near 76.50, 76.70 & 77.00 levels.**

GBPINR Futures (March)

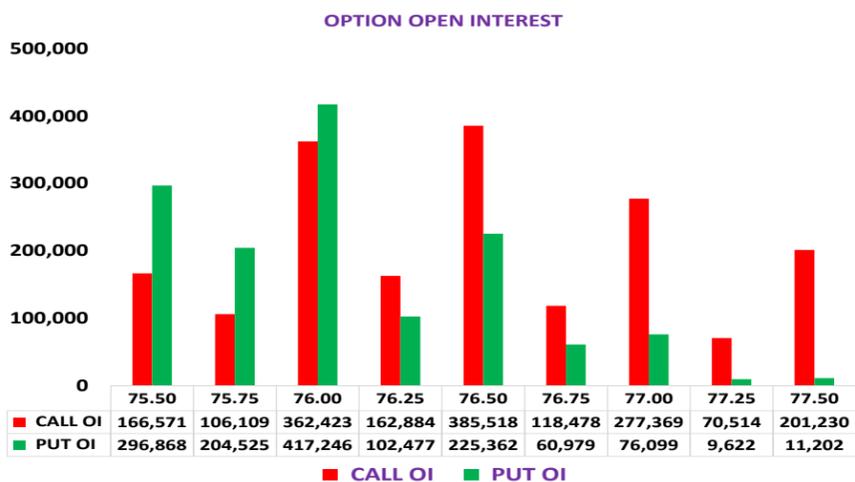
GBPINR may see slow uptrend, due to flat GBPUSD and strong USDINR. With BOE expressing concern of growth due to high commodity prices curtailing disposable income, bets on future hikes have been paired. As a result, GBPUSD is not able to stage a strong recovery. Over this week focus will be on flash PMIs for March, inflation and retail sales data. **GBPINR may remain rangebound to slightly up.**

EURINR Futures (March)

EURUSD will remain under pressure inspite of ECB hinting about end to QE and possible rate hikes. US Fed remains overly hawkish and US economy remains far more resilient than Eurozone. Therefore, combination of monetary policy divergence and economic divergence can drive EURUSD lower. **EURINR may remain flat to slightly downward, as strong USDINR will be supportive.**

JPYINR Futures (March)

USDJPY shot higher, thanks to spike in US bond yields. Monetary policy divergence between US Fed and BOJ is driving USDJPY higher. A strong USDJPY and strong USDINR means JPYINR may see slow downtrend.



	Spot	Futures	
		Weekly Expiry 25-Mar-22	Monthly Expiry 29-Mar-22
USDINR LTP / (Previous Day)	76.11 / (75.79)	76.26 / (75.83)	76.28 / (75.85)
ATM Vols (in %)	76.25	6.60%	6.25%
ATM Straddle Price		0.42	0.56

Historical Volatility	
5 days Rolling	6.56%
21 days Rolling	8.65%

What Options Open Interest (OI) Saying?

Large OI in 76 put options and 76.50 call options is a sign of a strong support and resistance zones on spot. However, with oil prices rising, there is risk of a short squeeze of the 76.50 call options. USDINR VIX has increased and can increase further due to high oil and high US yields.

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