

INR Pairs (Trading Range for the Day – March Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	76.24 (-0.03)	83.97 (-0.24)	100.74 (0.55)	63.17 (-0.92)
Intraday View	Downward	Rangebound	Upward	Downward
Technical Range	75.85-76.40	83.80-84.30	100.85-101.40	62.70-63.30

Important Indicators		
	US 2y YIELD	BRENT CRUDE
LTP	2.18%	117.16
1W back	1.94%	97.95
1M back	1.52%	91.72

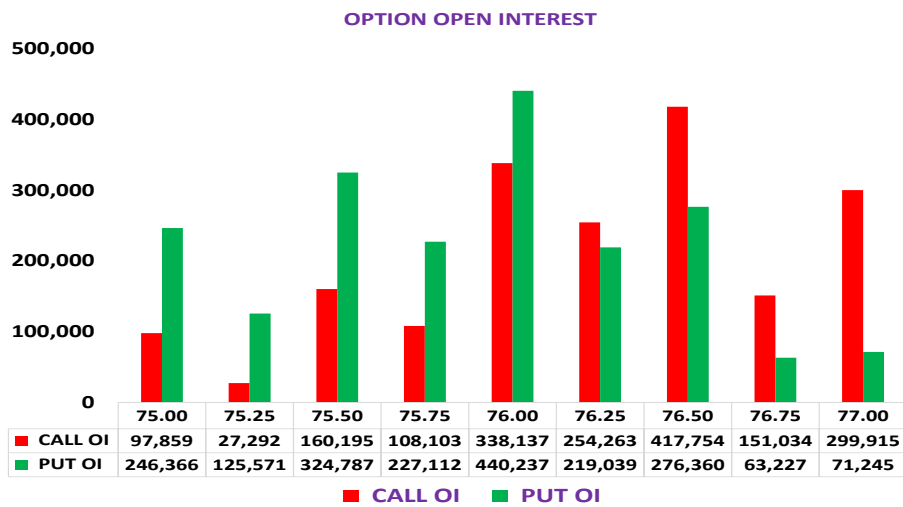


USDINR Futures (March)
On one hand, high oil prices and rising US bond yields are supportive for USDINR but on the other soft US Dollar Index, recovery in equity markets, and year-end corporate \$ sales are major negatives. USDINR has respected 76.50 as resistance and now is taking a shot at the support levels near 76.00 and 75.75. Unless the \$ sales are heavy from corporates, USDINR may form a base in this support zone. Therefore, we could be in for a range till March-end, between 75.75 and 76.50 on futures. One can focus on option straddles and strangles as implied volatility remains elevated.

GBPINR Futures (March)
GBPUSD and GBPINR, both have bounced ahead of UK inflation report today. UK inflation print for February is forecast as recording another 30-year high of 6.00% y/y. Higher inflation will increase pressure on BOE to hike rates even more. Even though BOE has tried to caution against too much optimism on rates, but central banks can not ignore the rising inflation. Therefore, GBPUSD and GBPINR both have scope to move even higher. **Bias remains upward.**

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.**

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 weak USDINR means JPYINR may see further downside.



	Spot	Futures	
		Weekly Expiry 25-Mar-22	Monthly Expiry 29-Mar-22
USDINR LTP / (Previous Day)	76.18 / (76.11)	76.22 / (76.25)	76.24 / (76.27)
ATM Vols (in %)	76.25	7.80%	6.70%
ATM Straddle Price		0.35	0.52

Historical Volatility	
5 days Rolling	6.73%
21 days Rolling	8.65%

What Options Open Interest (OI) Saying?

Large OI in 76.00 put should offer strong support to March futures prices. At the same time, 76.50 has large OI in calls, which should continue to be resistance. Implied volatility remains elevated but should head lower in coming days.