

| INR Pairs (Trading Range for the Day – Sept Futures) | | | | |
|--|--------------|--------------|---------------|--------------|
| | USDINR | EURINR | GBPINR | JPYINR |
| LTP (% Change) | 73.92 (0.21) | 86.75 (0.20) | 100.87 (0.01) | 67.47 (0.12) |
| Intraday View | Rangebound | Rangebound | Rangebound | Rangebound |
| Technical Range | 73.65-74.10 | 86.25-86.65 | 100.50-100.90 | 67.10-67.50 |

| Important Indicators | | |
|----------------------|-------|---------|
| | DXY | USD/CNH |
| LTP | 93.40 | 6.4684 |
| 1W back | 92.86 | 6.4534 |
| 1M back | 92.97 | 6.4759 |



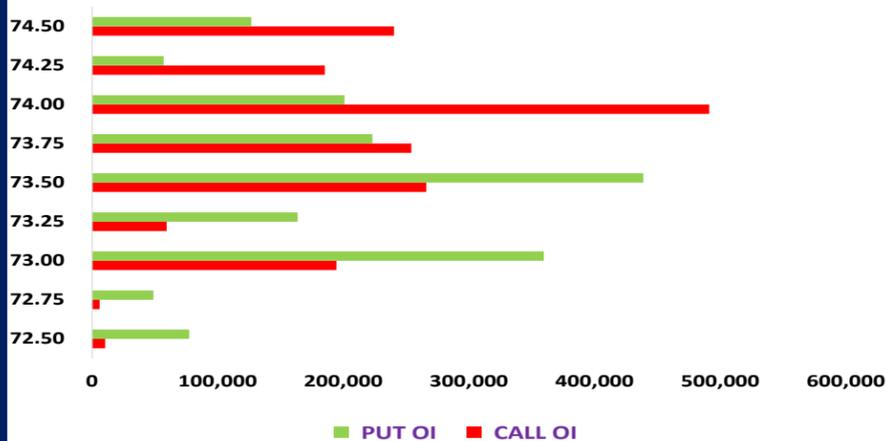
USDINR Futures (Sept)
US central bank stuck a hawkish tone with now FOMC members hinting at a hike in rates along with full taper in 2022. However, rally in equity markets and some ease of tensions in Chinese financial sector seems to be helping the USDINR. At the same time, robust FPI flows and corporate inflows are additional supportive factors for Rupee. **We need to keep a close eye on the resistance cluster near 74.00/74.10 on Sept futures. As long as market respects it, we can continue to see a range of 73.50 and 74.00. But above 74.10, it can aim for even 74.60 levels.**

GBPINR Futures (Sept)
With global equity markets inching higher, there is support for GBPINR to inch higher as well. However, focus will be on UK central bank's monetary policy meeting tonight. If they strike a dovish chord, then GBPINR can decline towards support zone near 101.00 levels in the coming sessions. **Therefore, volatility is going to be high and much depends on BoE to steer the GBP higher or lower via their stance on policy.**

EURINR Futures (Sept)
EURINR will come under pressure from a hawkish US Fed and rangebound USDINR. Today, Eurozone nations will release their flash PMIs (manufacturing & services sector surveys) for the month of September. It will be market moving. EURINR has strong support 85.90/86.00 levels on Sept futures. **Bias remains of a range for now.**

JPYINR Futures (Sept)
JPYINR continues to trade within a range due to lack of dominant triggers. The pair remains well within the 6 months of range of 66.20 and 68.50 on futures. **One can continue to buy near 66.50 with SL below 66.00 on a positional basis and aim for a re-test of 68.30/50 zone.**

OPTION OPEN INTEREST



| | Spot | Futures | |
|-----------------------------|-----------------|----------------------------|-----------------------------|
| | | Weekly Expiry 24-Sep-21 | Monthly Expiry 28-Sep-21 |
| USDINR LTP / (Previous Day) | 73.87 / (73.61) | 73.92 / (73.68) | 73.93 / (73.72) |
| ATM Vols (in %) | 74.00 | 6.30% | 4.90% |
| ATM Straddle Price | | 0.29 | 0.38 |

| Historical Volatility | |
|-----------------------|-------|
| 5 days Rolling | 3.80% |
| 21 days Rolling | 4.63% |

What Options Open Interest (OI) Saying?

With the US Fed meeting over, unless USDINR can meaningfully breakout above 74.00 handle and trigger a short squeeze, IVs may begin to come off sharply. As long as the option sellers between 73.50/74.00 are not squeezed, IVs have little or no upside.

Disclaimer & Contact:

Reach us at: ks.currency-research@kotak.com Disclaimer: <https://bit.ly/longdisc>