

INR Pairs (Trading Range for the Day – Dec Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	75.61 (-0.02)	85.42 (0.07)	100.65 (0.39)	66.18 (-0.33)
Intraday View	Downward	Rangebound	Uptrend	Downward
Technical Range	75.30-75.75	85.40-85.85	100.55-101.10	65.95-66.40

Important Indicators		
	DXY	USDCNH
LTP	96.03	6.3750
1W back	96.99	6.3853
1M back	96.48	6.3892



USDINR Futures (Dec)

During the last three weeks of December USDINR has witnessed swings of 1%-3%, which means low liquidity tends to accentuate moves. Interestingly over the past 7 years, USDINR has closed lower for the month of December. If it repeats that pattern, then December close could be below 75.00 levels on spot. However, a lot depends on the risk-on mood and trend of the US Dollar Index. We suspect RBI may not be a buyer of USD above 75 levels. **Therefore, for now, USDINR remains a sell on rise with a stop above 75.80 on Dec futures on a closing basis. Support @ 75.45 & 75.30 levels.**

GBPINR Futures (Dec)

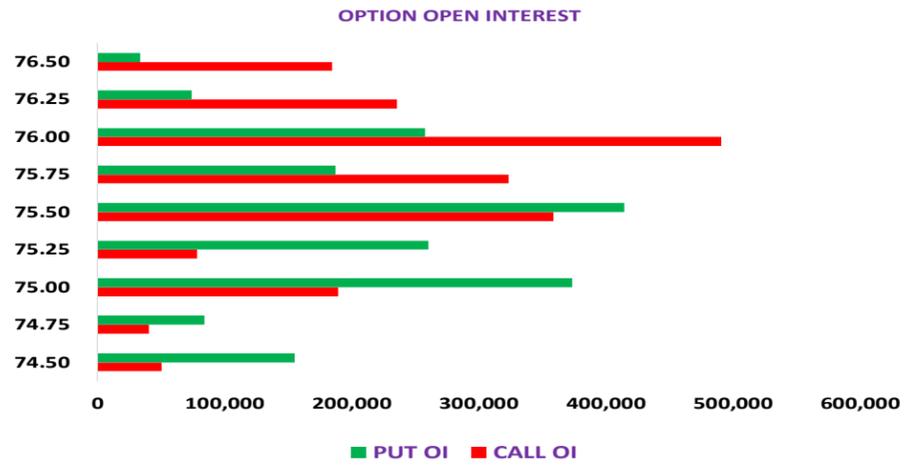
Yesterday, GBPINR jumped on the news that UK scientists are said to announce that OMICRON is milder than the delta variant of COVID. However, economic data was challenging with GDP for Q3 rising 1.1%, down from an initial estimate of 1.3%. The CBI's monthly growth indicator – which combines surveys of output from manufacturers, retailers, and other services companies – fell to the lowest since the three months to April. British car manufacturers had their slowest November in 37 years. However, GBPINR is seeing a short-covering rally into the year-end thanks to a risk-on rally in equity markets. **We expect GBPINR to test the 101.20/30 zone on December futures. Bias is upward.**

EURINR Futures (Dec)

EURINR saw some bit of short-covering due to recovery in EURUSD into the year-end. Macros continue to remain challenging in Eurozone due to virus lead lockdowns and surging prices of electricity. Upside remains limited thanks to weak USDINR. **We look for a rangebound to marginal downward drift in EURINR.**

JPYINR Futures (Dec)

The risk-on mood in equity markets is pushing US bond yields higher and with it USJPY higher as well. Rising USDJPY and falling USDINR is a double negative for JPYINR as it is a derivative of the two currency pairs. The bias **remains downward for the near term.**



	Spot	Futures	
		Weekly Expiry 24-Dec-21	Monthly Expiry 29-Dec-21
USDINR LTP / (Previous Day)	75.55 / (75.60)	75.56 / (75.60)	75.61 / (76.63)
ATM Vols (in %)	75.50	4.40%	3.70%
ATM Straddle Price		0.18	0.32

Historical Volatility	
5 days Rolling	2.45%
21 days Rolling	3.85%

What Options Open Interest (OI) Saying?

Option writers have accumulated large open interest in 76 strike call options and 75.50 put options, suggesting a range of 75.50 and 76.00 levels. In case, USDINR manages to short squeeze 75.50 strike put, then it can aim for 75 strike. IVs are low to due to year end and low realized volatility.

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