

INR Pairs (Trading Range for the Day – Nov Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	75.24 (-0.11)	87.42 (-0.18)	103.92 (0.21)	66.02 (-0.27)
Intraday View	Rangebound	Downward	Upward	Downward
Technical Range	75.10-75.45	87.10-87.60	103.50-103.90	65.85-66.35

Important Indicators		
	DXY	Brent Crude
LTP	93.90	86.04
1W back	93.59	85.86
1M back	93.40	79.36



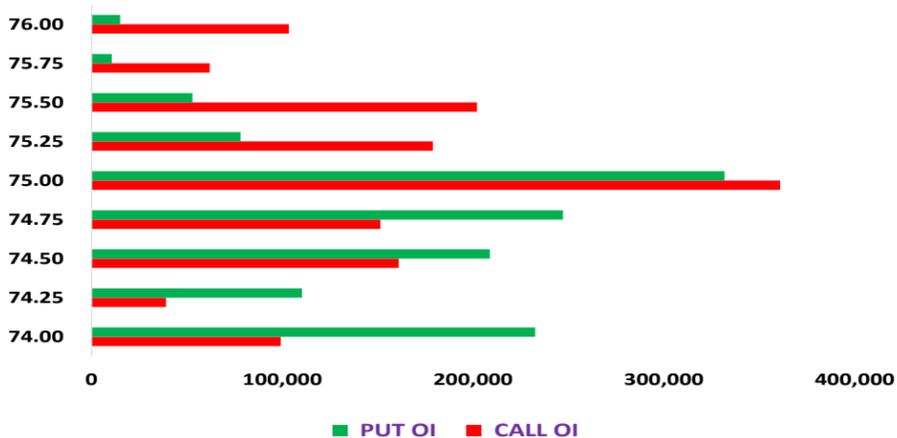
USDINR Futures (Nov)
Over the past few weeks forward premium or futures premium has steadily increased. 12-month annualized forward premium at 4.64% is at the highest level since mid-June. A combination of rising short-term rates and suspected RBI buying via forwards may be causing the premium to harden. Higher the premium, when risk appetite remains boy ant, will invite carry trade. Carry trading leads to selling in USDINR futures or forwards. Add to this the FPI inflows on IPO may ensure that USDINR may remain capped around 75.20/25 levels on spot. Support near 74.70. **One can focus on option selling strategies like weekly straddles (74.75/75.25) to benefit from rangebound price action.**

GBPINR Futures (Nov)
GBPINR is getting a lift from risk on mood in global equity markets and hopes of Bank of England hiking interest rates sooner. However, interestingly UK short term yields have pulled back with US bond short term yields surging ahead. This can place a cap on GBPINR near 104.20/40 zones. However, **we are still inclined towards a buy on decline strategy in GBPINR with stop below 103.00 levels.**

EURINR Futures (Nov)
With USDINR showing weakness EURINR will converge to the downtrend in EURUSD. Economic data from Eurozone continues to be poor with business and consumer confidence being hit hard by supply chain issues, inflation and rising COVID cases. **Bias remains of a rangebound activity with a slight downward bias.**

JPYINR Futures (Nov)
A rising USDJPY and falling USDINR dragged JPYINR lower as the pair derives its value from USDJPY and USDINR. JPY is under pressure from elevated energy prices and carry trade. Over the near term, **outlook remains bearish.**

OPTION OPEN INTEREST



	Spot	Futures	
		Weekly Expiry 29-Oct-21	Monthly Expiry 26-Nov-21
USDINR LTP / (Previous Day)	74.96 / (75.08)	74.98 / (75.11)	75.24 / (75.35)
ATM Vols (in %)	75.00	5.90%	4.70%
ATM Straddle Price		0.26	0.83

Historical Volatility	
5 days Rolling	5.32%
21 days Rolling	4.54%

What Options Open Interest (OI) Saying?

USDINR implied vols are now in sync with realised vols. However, for implied vols to rise further, USDINR needs to catch an uptrend, lack of that can push IVs lower. Option OI is quite large in 74.75 and 75.00 put options, which means that prices will find strong support in this zone. Resistance is near 75.50, due to high OI in calls.

Disclaimer & Contact:

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