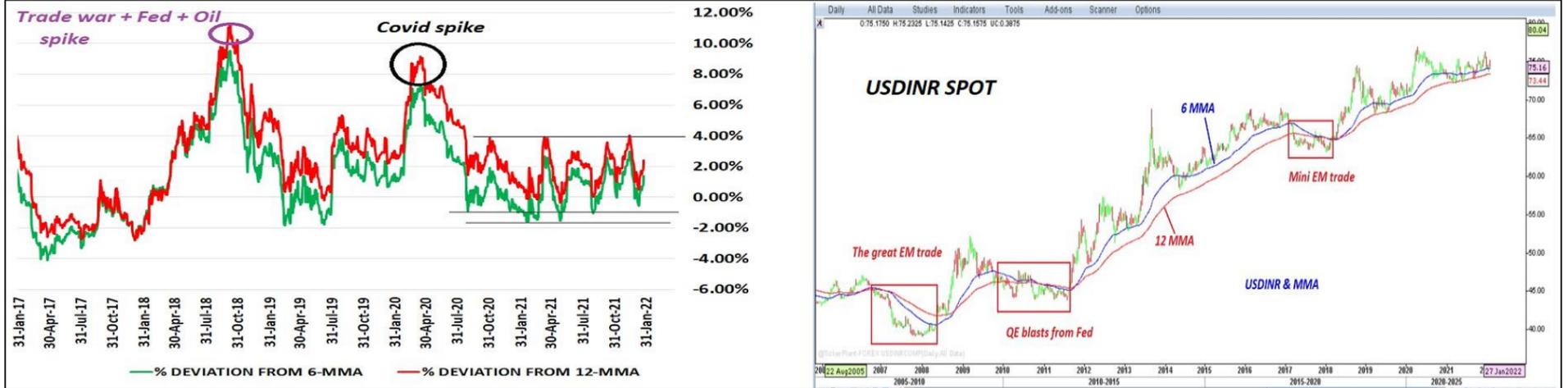


INR Pairs (Trading Range for the Day – Feb Futures)				
	USDINR	EURINR	GBPINR	JPYINR
LTP (% Change)	75.39 (0.36)	84.46 (-0.24)	101.01 (-0.05)	65.51 (-0.23)
Intraday View	Upward	Downward	Rangebound	Rangebound
Technical Range	75.20-75.65	83.85-84.40	100.75-101.30	65.15-65.55

Important Indicators		
	DXY	BRENT CRUDE
LTP	97.14	89.80
1W back	95.63	87.70
1M back	96.15	79.04



USDINR Futures (Feb)

USDINR is a mean-reverting currency pair. One way to express that mathematically is to take a deviation from the mean. In this case, we have taken the 6-month moving average and 12-month moving average as the two means. Over the past 4 years, USDINR has formed a bottom in between these two averages as RBI has followed an interventionist policy. Macro-stability and few episodes of sustained global risk-off have not allowed USDINR to veer away from its averages for long. The last two episodes of major spikes were during the trade war and COVID. Since COVID, USDINR has topped out in the 3%-4% range. Currently, that number is near 76.50 levels. However, with the Union Budget on Feb 1st, USDINR can slip into a range as traders assess the policy changes on tax laws and FEMA to allow foreign investor participation in the GOsecs and in the LIC. Attractive real yields on Rupee are preventing a panic amongst the carry traders, which creates sharp upward trends. **Trend remains upward with 74.70 as the important bullish pivot on the spot and 75.35 and 75.85 as near-term resistances on spot.**

GBPINR Futures (Feb)

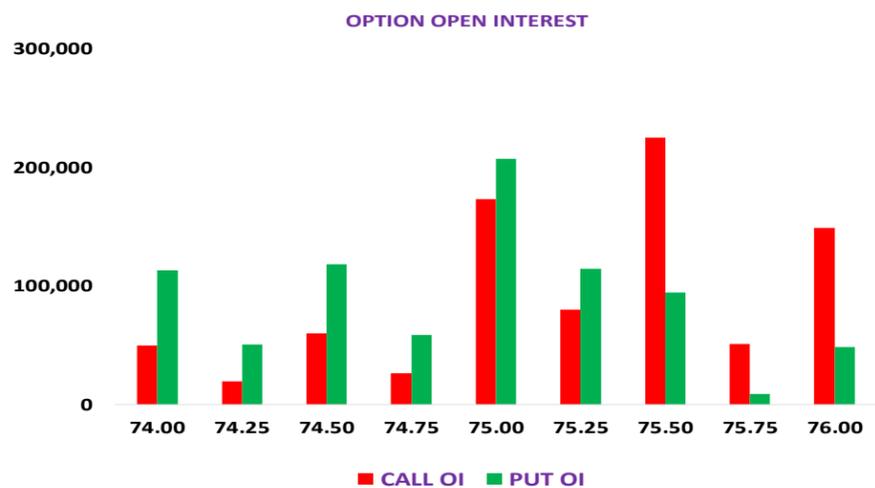
GBPINR is caught between a fragile risk sentiment, tempered growth momentum in UK and political troubles. However, a rising USDINR has offset some of the negative impact from falling GBPUSD. We could see a more rangebound price action over the near term.

EURINR Futures (Feb)

EURINR will be sandwiched by rising USDINR and falling EURUSD. A clear policy divergence between ECB and Fed and coupled with a global risk-off USDINR can offset some of that impact. Hence, we are looking at range to slightly downward trend in EURINR.

JPYINR Futures (Feb)

JPYINR is being pulled down slightly by a rising USDJPY. Rising US yields, high oil prices and stronger US Dollar Index is helping the USDJPY to move higher. However, a strong USDINR is partly offsetting that impact on JPYINR. We are looking at a rangebound show in JPYINR.



	Spot	Futures	
		Weekly Expiry 04-Feb-22	Monthly Expiry 24-Feb-22
USDINR LTP / (Previous Day)	75.07 / (74.77)	75.24 / (74.87)	75.39 / (75.02)
ATM Vols (in %)	75.25	4.90%	4.60%
ATM Straddle Price		0.41	0.76

Historical Volatility	
5 days Rolling	3.04%
21 days Rolling	4.25%

What Options Open Interest (OI) Saying?

USDINR is bracketed between 75.50 call sellers and 75 put sellers, former offering resistance and latter providing support. Implied volatility can rise further with month end by another 30 bps, provided USDINR maintains the ascent.

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