

| INR Pairs (Trading Range for the Day – Feb Futures) | | | | |
|---|---------------|---------------|----------------|---------------|
| | USDINR | EURINR | GBPINR | JPYINR |
| LTP (% Change) | 75.32 (-0.06) | 83.93 (-0.49) | 100.87 (-0.16) | 65.21 (-0.27) |
| Intraday View | Rangebound | Rangebound | Rangebound | Downward |
| Technical Range | 75.00-75.45 | 83.70-84.15 | 100.65-101.10 | 64.95-65.35 |

| Important Indicators | | |
|----------------------|-------|-------------|
| | DXY | BRENT CRUDE |
| LTP | 97.16 | 91.01 |
| 1W back | 95.86 | 87.09 |
| 1M back | 95.67 | 77.89 |



USDINR Futures (Feb)

USDINR is going to face some event risk by way of Union Budget tomorrow. Generally, Budget days have seen sharp two-way volatility in the past but there is little long-lasting impact. However, this time around the focus will be on tax amendment to smoothen the way for the inclusion of GOIsecs in the global bond indices and also a possible amendment to FEMA law to allow for FDI in LIC ahead of its IPO. Both these measures, if realized, can cause lumpy \$ inflows and carry trade bets. Interestingly, even when FPIs have sold over \$3.7 billion in cash equities, they have bought close to half a billion dollars in the cash bonds, possibly hoping for global bond index play. **USDINR has a lot of tailwinds by way of oil prices inching towards \$92, 7.5 years high, stronger US Dollar Index, and wobbly equity markets. However, thanks to robust corporate inflows and attractive real rates keeping carry interest alive, USDINR has not yet shown strong upward momentum.**

GBPINR Futures (Feb)

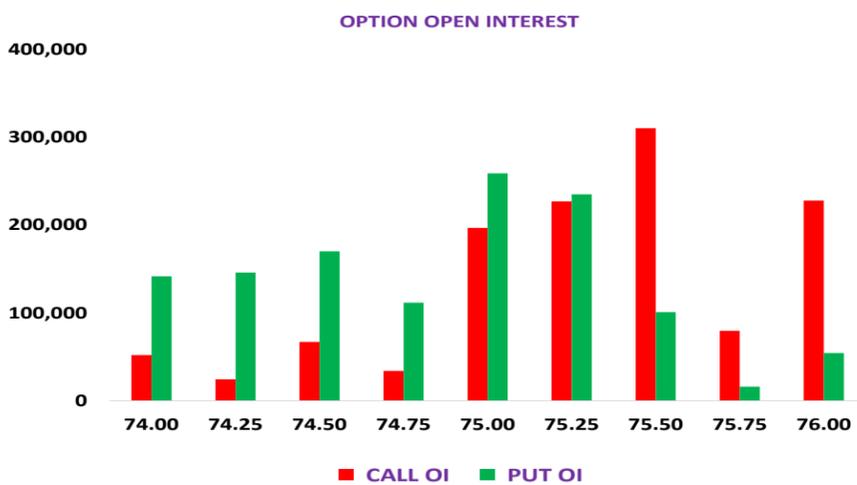
GBPINR has two events to play with. First is the Bank of England policy meeting and then is the US jobs report on Friday. BoE is expected to sound hawkish, focusing on inflation and ignoring the recent weakness in the economic data from the UK. However, if BoE chooses to focus on a weak trend in data, then GBPUSD and GBPINR can come under selling pressure. **GBPINR is expected to hold support near 100.50/60 levels.**

EURINR Futures (Feb)

EURINR is being driven down by the divergent monetary policy between ECB and US Fed. It is to be noted that US economic data is coming data pressure due to rise in bond yields, stronger US Dollar, and falling stock market. Whereas, Eurozone data is outperforming. One important for Euro remains the ECB policy meeting on Thursday. We expect EURINR to remain rangebound over the near term.

JPYINR Futures (Feb)

JPYINR is being pulled down slightly by a rising USDJPY. Rising US yields, high oil prices, and a 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 downtrend in JPYINR.



| | Spot | Futures | |
|-----------------------------|-----------------|----------------------------|-----------------------------|
| | | Weekly Expiry 04-Feb-22 | Monthly Expiry 24-Feb-22 |
| USDINR LTP / (Previous Day) | 75.04 / (75.07) | 75.17 / (75.23) | 75.32 / (75.38) |
| ATM Vols (in %) | 75.25 | 4.85% | 4.40% |
| ATM Straddle Price | | 0.35 | 0.68 |

| Historical Volatility | |
|-----------------------|-------|
| 5 days Rolling | 3.40% |
| 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 going into Union Budget tomorrow. But the rise pre-Budget can be shallow as the event is during market hours.

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