



FX DAILY DOSSIER

May 07, 2021

KEY MARKET THEME

- Rupee likely to open higher above 73.70 in the wake of a weaker dollar mode.
- Pound lifted higher after BoE hinted for bond tapering.
- Euro holding its gains above 1.20 vs dollar convincingly

FX Majors	CMP	1W	1M
EURUSD	1.2062	0.35%	1.34%
GBPUSD	1.3898	0.59%	1.41%
USDJPY	109.12	-0.19%	-0.50%

FX Cross INR	CMP	1W	1M
USDINR	73.64	-0.61%	-1.45%
EURINR	88.83	-0.26%	-0.12%
GBPINR	102.34	-0.04%	-0.07%
JPYINR	67.48	-0.43%	-0.97%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	6.15%	-7.40	-5.40
US	1.57%	-5.42	-8.94
Germany	-0.22%	-3.05	11.23
UK	0.80%	-4.99	4.42

Flows	DTD	WTD	MTD
FII's (INR Crs)	1,222.58	-3,949.75	-3,949.75

Note: 1W refers to 1 week change from CMP | 1M refers to 1 month change from CMP

MACRO ANALYSIS

Indian Rupee was recorded the best week to appreciate above 74.00 after the fall happened post RBI policy. The rally in rupee was largely driven by soft US yields notably 10 Y eased from 1.75% to 1.60% along with IPO flows helped to surpass 74.00 convincingly. Going forward we think rupee may find strong resistance around 73.40 on spot and may reverse its course on modest basis.

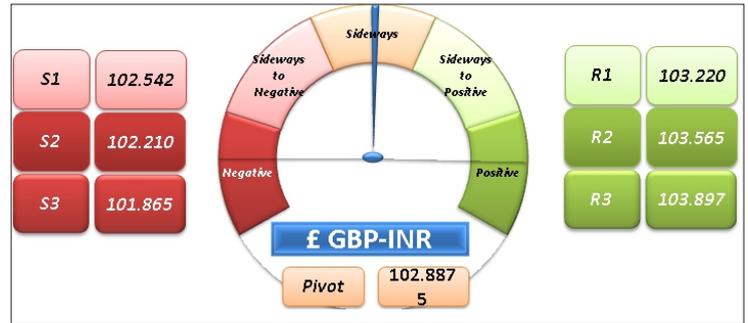
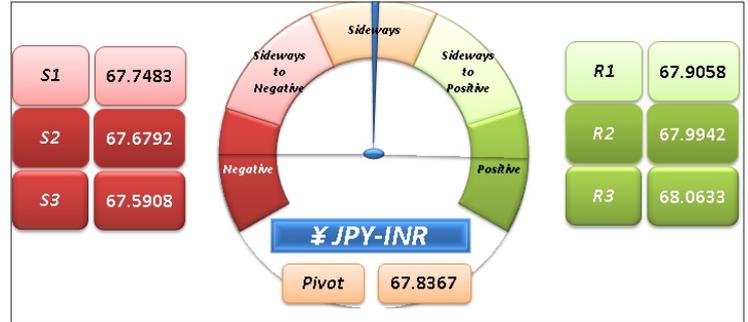
Additionally the dollar index is lower amid stronger safe havens and as an index of commodity prices set five hear highs boosting commodity currencies. US jobless claims came in at 498K versus 540K expected. However payroll number for April will release later today will guide the dollar move in next week.

While on the majors, the pound held onto gains versus the dollar after the BoE kept rates unchanged, slowed its emergency bond buying program and upgraded its growth forecast to 7.25% as the economy continues to reopen. We think pound likely to outperform in coming days as an indication of bond tapering is somehow supportive for pound.

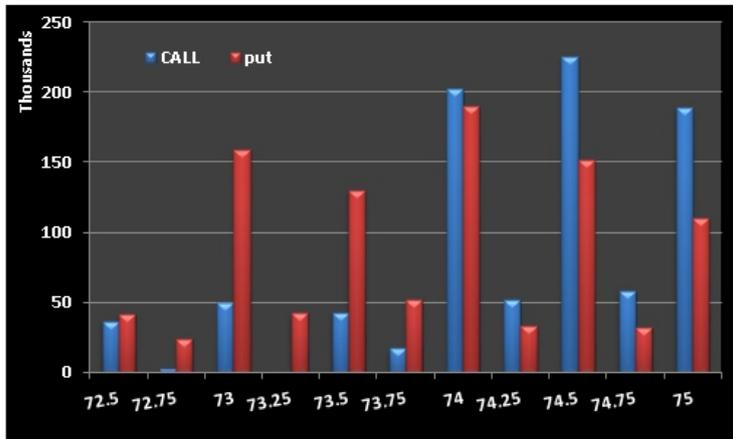
The euro strengthened 0.4% and is closing in on a 100-DMA following strong German factory orders and retail sales beating market expectations.

ECONOMIC DATA

	IST	Previous	Median	SMC's Forecast
USD Non-Farm Employment Change	18:00	916K	990K	990K
USD Unemployment Rate	18:00	6.00%	5.80%	5.80%



USDINR Options Activity (Near Month)



USDINR OI Change (FTD)



USDINR Option Greek Data (Near Month)

27-May-21	CALL				Option Greeks					PUT			Option Greeks				
	MKT_PRICE	Theoretical	IV	DELTA	GAMMA	VEGA	THETA	RHO	MKT_PRICE	Theoretical	IV	DELTA	GAMMA	VEGA	THETA	RHO	
73.65																	
72.00	2.0250	1.89	10.8%	0.97	0.070	0.01	-0.01	0.04	0.0100	0.01	5.7%	-0.03	0.070	0.01	0.00	0.00	
72.25	1.9150	1.65	12.8%	0.94	0.108	0.02	-0.01	0.04	0.0150	0.02	5.5%	-0.06	0.108	0.02	0.00	0.00	
72.50	1.4900	1.42	8.0%	0.91	0.155	0.03	-0.01	0.04	0.0250	0.04	5.3%	-0.09	0.155	0.03	0.00	0.00	
72.75	1.2600	1.20	7.5%	0.87	0.209	0.04	-0.02	0.03	0.0400	0.07	5.1%	-0.13	0.209	0.04	0.00	-0.01	
73.00	1.0425	0.99	7.0%	0.81	0.266	0.05	-0.02	0.03	0.0750	0.11	5.2%	-0.19	0.266	0.05	0.00	-0.01	
73.25	0.8325	0.80	6.5%	0.73	0.318	0.06	-0.02	0.03	0.1225	0.17	5.1%	-0.27	0.318	0.06	-0.01	-0.01	
73.50	0.6525	0.63	6.4%	0.65	0.359	0.06	-0.02	0.03	0.1875	0.25	5.0%	-0.35	0.359	0.06	-0.01	-0.01	
73.75	0.4900	0.48	6.1%	0.55	0.382	0.07	-0.02	0.02	0.2800	0.35	5.0%	-0.45	0.382	0.07	0.00	-0.02	
74.00	0.3650	0.36	6.1%	0.46	0.383	0.068	-0.02	0.02	0.4000	0.47	4.9%	-0.54	0.383	0.07	0.00	-0.02	
74.25	0.2600	0.26	6.1%	0.36	0.363	0.06	-0.01	0.01	0.5500	0.62	4.9%	-0.64	0.363	0.06	0.00	-0.03	
74.50	0.1850	0.18	6.1%	0.28	0.325	0.06	-0.01	0.01	0.7175	0.79	4.6%	-0.72	0.325	0.06	0.00	-0.03	
74.75	0.1350	0.12	6.3%	0.20	0.275	0.05	-0.01	0.01	0.9225	0.98	4.6%	-0.80	0.275	0.05	0.00	-0.03	
75.00	0.0925	0.08	6.4%	0.14	0.219	0.04	-0.01	0.01	1.1300	1.19	4.0%	-0.86	0.219	0.04	0.00	-0.04	
75.25	0.0675	0.05	6.6%	0.10	0.166	0.03	-0.01	0.00	1.3525	1.41	0.0%	-0.90	0.166	0.03	0.01	-0.04	
75.50	0.0450	0.03	6.7%	0.06	0.119	0.02	0.00	0.00	1.5725	1.64	0.0%	-0.94	0.119	0.02	0.01	-0.04	

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