



FX DAILY DOSSIER

January 21, 2021

KEY MARKET THEME

- Global risk sentiment drag dollar lower as market cheered on hope of stimulus led recovery.
- Joe Biden became the 46th President of the United States triggered big hope for riskier asset.
- The pound hits 8 months high against euro amid strong monthly inflation print of December.

FX Majors	CMP	1W	1M
EURUSD	1.2127	-0.25%	-0.49%
GBPUSD	1.3675	-0.10%	0.89%
USDJPY	103.57	-0.23%	-0.09%

FX Cross INR	CMP	1W	1M
USDINR	72.95	-0.17%	-0.83%
EURINR	88.46	-0.44%	-1.32%
GBPINR	99.88	0.08%	0.24%
JPYINR	70.44	0.05%	-0.74%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	5.94%	9.60	2.50
US	1.08%	-3.84	13.57
Germany	-0.53%	2.48	8.70
UK	0.30%	9.37	12.07

Flows	DTD	WTD	MTD
FII's (INR Crs)	2,289.05	8,287.71	20,098.53

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

MACRO ANALYSIS

Indian Rupee likely to open higher above 73.00 on spot amid supportive in global equities and weaker dollar trend. However with higher oil price and possible RBI's intervention likely to cap the steep rise in rupee.

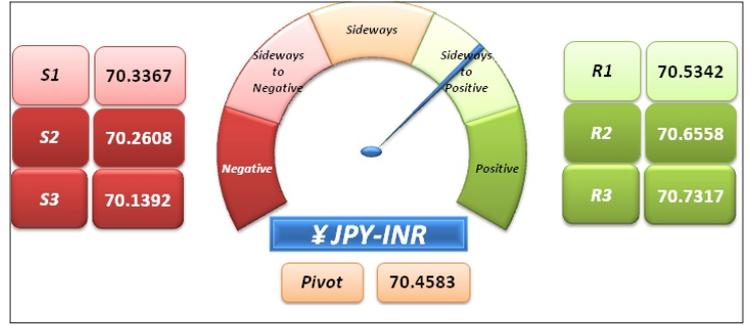
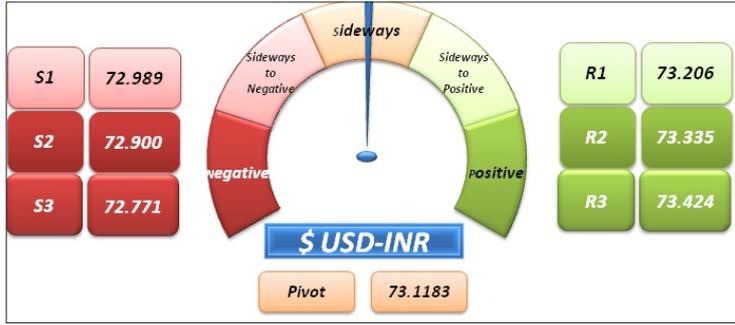
Admittedly Risk-on sentiment continues in equities after US indices hit new records as Joe Biden became the 46th US president, propelled by optimism that his administration's \$1.9tn stimulus spending plan could help insulate the global economy from the damage wrought by coronavirus.

The UK pound is stronger for a second day versus the US dollar, and even more so against the euro. The UK reported inflation data for December yesterday, core CPI rose 1.4% compared to 1.3% expected and 1.1% in November.

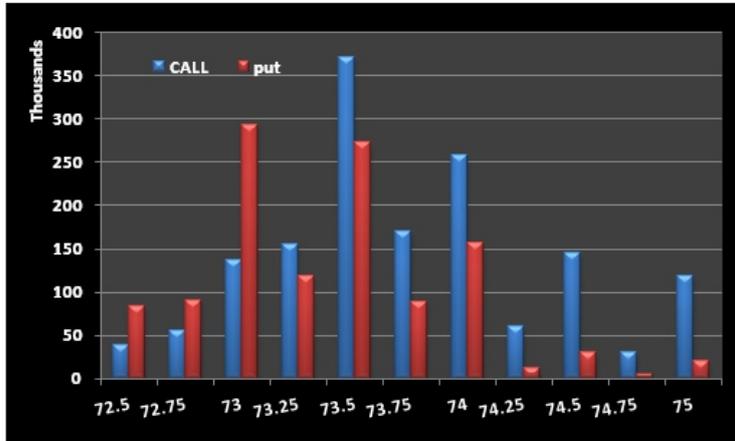
On the other hand the euro is lower amid record Covid-19 deaths in Germany. Italy's government managed to survive a Senate confidence vote yesterday, but Prime Minister Conte did not get an overall majority due to concerns with his leadership in handling the pandemic and economic recession. Market will await to find latest development in today's ECB meeting.

ECONOMIC DATA

	IST	Previous	Median	SMC's Forecast
EUR ECB Press Conference	8:30			



USDINR Options Activity (Near Month)



USDINR OI Change (FTD)



USDINR Option Greek Data (Near Month)

27-Jan-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
73.13																
71.50	1.7125	1.71	7.8%	1.00	0.011	0.00	-0.01	0.01	0.0025	0.00	7.3%	0.00	0.011	0.00	0.00	0.00
71.75	1.5725	1.46	14.2%	0.99	0.034	0.00	-0.01	0.01	0.0050	0.00	7.0%	-0.01	0.034	0.00	0.00	0.00
72.00	1.1900	1.21	0.0%	0.98	0.087	0.01	-0.01	0.01	0.0025	0.01	5.4%	-0.02	0.087	0.01	0.00	0.00
72.25	0.9625	0.97	4.5%	0.94	0.184	0.01	-0.02	0.01	0.0050	0.01	4.9%	-0.06	0.184	0.01	0.00	0.00
72.50	0.7025	0.75	0.0%	0.88	0.328	0.02	-0.02	0.01	0.0075	0.04	4.1%	-0.12	0.328	0.02	-0.01	0.00
72.75	0.4750	0.54	3.4%	0.78	0.490	0.03	-0.02	0.01	0.0250	0.08	4.0%	-0.22	0.490	0.03	-0.01	0.00
73.00	0.2850	0.36	3.9%	0.64	0.617	0.04	-0.02	0.01	0.0825	0.15	4.1%	-0.36	0.617	0.04	-0.01	-0.01
73.25	0.1375	0.22	3.9%	0.48	0.655	0.04	-0.02	0.01	0.1850	0.26	4.1%	-0.52	0.655	0.04	-0.01	-0.01
73.50	0.0675	0.13	4.3%	0.32	0.588	0.036	-0.02	0.00	0.3650	0.41	4.6%	-0.68	0.588	0.04	-0.01	-0.01
73.75	0.0375	0.06	5.0%	0.19	0.446	0.03	-0.01	0.00	0.5900	0.60	5.6%	-0.81	0.446	0.03	0.00	-0.01
74.00	0.0250	0.03	5.8%	0.10	0.287	0.02	-0.01	0.00	0.8275	0.82	6.6%	-0.90	0.287	0.02	0.00	-0.01
74.25	0.0175	0.01	6.6%	0.05	0.157	0.01	0.00	0.00	1.0650	1.05	7.3%	-0.95	0.157	0.01	0.01	-0.01
74.50	0.0125	0.00	7.3%	0.02	0.073	0.00	0.00	0.00	1.3100	1.29	8.2%	-0.98	0.073	0.00	0.01	-0.01
74.75	0.0100	0.00	8.1%	0.01	0.029	0.00	0.00	0.00	1.5500	1.54	8.4%	-0.99	0.029	0.00	0.01	-0.01
75.00	0.0075	0.00	8.7%	0.00	0.010	0.00	0.00	0.00	1.8100	1.79	10.6%	-1.00	0.010	0.00	0.01	-0.01

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