



# FX DAILY DOSSIER

December 28, 2020

## KEY MARKET THEME

- Global shares edge up on news Trump signs aid bill.
- Europe launching a mass vaccination drives on Sunday.
- Narrow Brexit trade deal that does not cover Britain's financial sector.

FX Majors	CMP	1W	1M
EURUSD	1.2206	-0.31%	2.35%
GBPUSD	1.3546	0.59%	1.66%
USDJPY	103.57	0.27%	-0.72%

FX Cross INR	CMP	1W	1M
USDINR	73.56	-0.47%	-0.62%
EURINR	89.78	-0.76%	1.73%
GBPINR	99.66	0.13%	1.07%
JPYINR	71.03	-0.73%	0.10%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	5.94%	-2.40	5.50
US	0.95%	5.16	11.97
Germany	-0.55%	2.32	3.88
UK	0.26%	8.30	-4.90

Flows	DTD	WTD	MTD
FII's (INR Crs)	1,225.69	2,591.27	41,325.37

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

## MACRO ANALYSIS

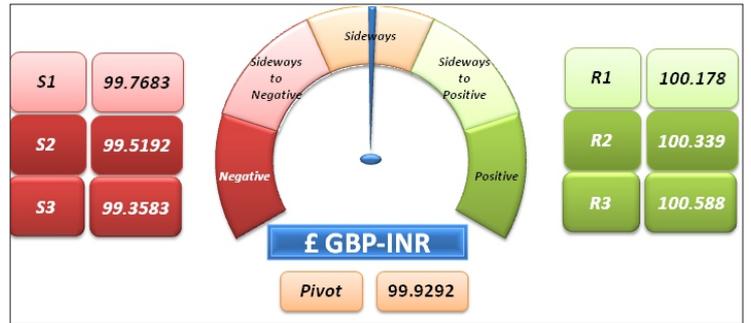
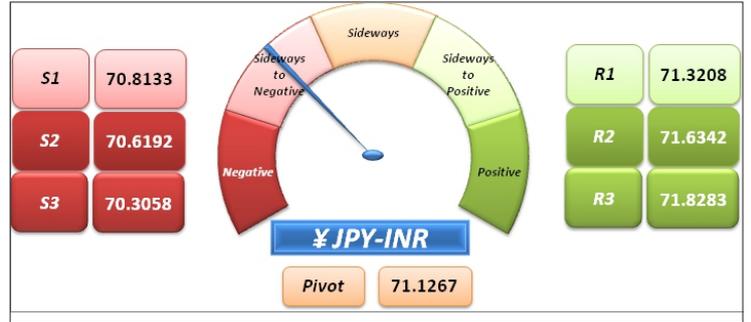
The dollar shrugged off news of President Trump relenting on a threat to block a COVID-19 aid bill in thin trading on Monday with many investors on holiday. Trump signed into law the \$2.3 trillion pandemic aid and spending package, officials said on Sunday night, averting a partial federal government shutdown. Earlier he had cryptically tweeted, "Good news on Covid Relief Bill. Information to follow!" He had previously demanded an increase in stimulus checks for struggling Americans to \$2,000 from \$600.

The pound hovered below a 2 1/2-year high in the Asian session following the agreement last week of a narrow Brexit trade deal that does not cover Britain's financial sector. While last week's Brexit deal came as a relief to investors, the bare-bones nature of the pact leaves Britain far more detached from the EU, analysts say, suggesting the discount that has dogged UK assets since 2016 will not vanish soon. Brussels has made no decision yet on whether to grant Britain access to the bloc's financial market.

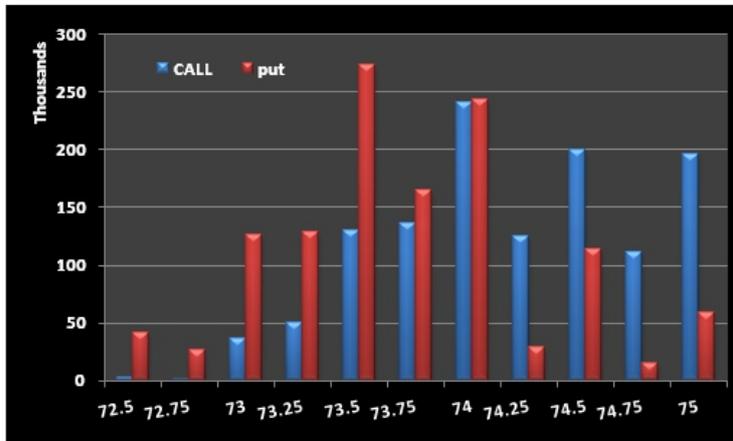
Policymakers at Japan's central were divided on how far they should go in examining yield curve control with some calling for a comprehensive review of the framework, a summary of opinions voiced at the December rate review showed on Monday.

## ECONOMIC DATA

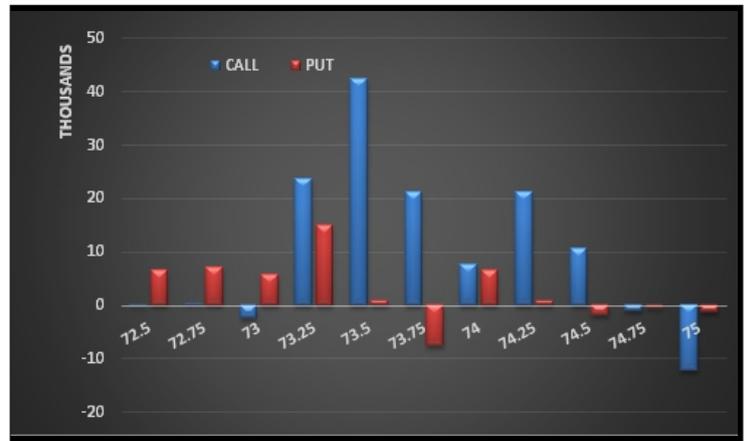
	IST	Previous	Median	SMC's Forecast
EUR/GBP Bank Holiday	-	-	-	-



USDINR Options Activity (Near Month)



USDINR OI Change (FTD)



USDINR Option Greek Data (Near Month)

29-Dec-20	CALL			Option Greeks					PUT			Option Greeks				
	MKT_PRICE	Theoretical	IV	DELTA	GAMMA	VEGA	THETA	RHO	MKT_PRICE	Theoretical	IV	DELTA	GAMMA	VEGA	THETA	RHO
71.75	1.9625	1.82	46.8%	1.00	0.000	0.00	-0.01	0.00	0.0025	0.00	20.4%	0.00	0.000	0.00	0.00	0.00
72.00	1.5750	1.57	19.2%	1.00	0.000	0.00	-0.01	0.00	0.0025	0.00	17.9%	0.00	0.000	0.00	0.00	0.00
72.25	1.5225	1.32	43.5%	1.00	0.001	0.00	-0.01	0.00	0.0025	0.00	15.4%	0.00	0.001	0.00	0.00	0.00
72.50	1.0550	1.07	0.0%	1.00	0.009	0.00	-0.01	0.00	0.0025	0.00	12.8%	0.00	0.009	0.00	0.00	0.00
72.75	0.8250	0.82	11.0%	0.99	0.067	0.00	-0.01	0.00	0.0050	0.00	11.4%	-0.01	0.067	0.00	0.00	0.00
73.00	0.5600	0.58	0.0%	0.95	0.292	0.00	-0.03	0.00	0.0050	0.01	8.4%	-0.05	0.292	0.00	-0.02	0.00
73.25	0.2925	0.35	0.0%	0.82	0.746	0.01	-0.05	0.00	0.0175	0.03	7.3%	-0.18	0.746	0.01	-0.04	0.00
73.50	0.1300	0.18	5.9%	0.58	1.126	0.02	-0.07	0.00	0.0650	0.11	6.3%	-0.42	1.126	0.02	-0.06	0.00
73.75	0.0375	0.07	6.7%	0.30	1.009	0.013	-0.06	0.00	0.2300	0.25	7.8%	-0.70	1.009	0.01	-0.05	0.00
74.00	0.0200	0.02	9.2%	0.11	0.539	0.01	-0.03	0.00	0.4600	0.45	10.6%	-0.89	0.539	0.01	-0.02	0.00
74.25	0.0100	0.00	11.0%	0.03	0.173	0.00	-0.01	0.00	0.7050	0.68	13.9%	-0.97	0.173	0.00	0.00	0.00
74.50	0.0075	0.00	13.4%	0.00	0.033	0.00	0.00	0.00	0.9575	0.93	17.8%	-1.00	0.033	0.00	0.01	0.00
74.75	0.0025	0.00	13.7%	0.00	0.004	0.00	0.00	0.00	1.2050	1.18	20.9%	-1.00	0.004	0.00	0.01	0.00
75.00	0.0025	0.00	16.2%	0.00	0.000	0.00	0.00	0.00	1.4525	1.43	23.6%	-1.00	0.000	0.00	0.01	0.00
75.25	0.0050	0.00	20.4%	0.00	0.000	0.00	0.00	0.00	1.7100	1.68	28.4%	-1.00	0.000	0.00	0.01	0.00

Currency Research Team

**Arnob Biswas - Fundamental Analyst**  
arnobbiswas@smcindiaonline.com

**Tapish Pandey - Technical Analyst**  
tapishpandey@smcindiaonline.com

E-mail: smc.care@smcindiaonline.com



**Corporate Office:**  
11/6B, Shanti Chamber,  
Pusa Road, New Delhi - 110005  
Tel: +91-11-30111000  
www.smcindiaonline.com

**Mumbai Office:**  
Lotus Corporate Park, A Wing 401 / 402, 4th Floor,  
Graham Firth Steel Compound, Off Western  
Express Highway, Jay Coach Signal, Goreagon  
(East) Mumbai - 400063  
Tel: 91-22-67341600, Fax: 91-22-67341697

**Kolkata Office:**  
18, Rabindra Sarani, Poddar Court, Gate No-4,  
5th Floor, Kolkata - 700001  
Tel.: 033 6612 7000/033 4058 7000  
Fax: 033 6612 7004/033 4058 7004

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