



# FX DAILY DOSSIER

October 19, 2020

## KEY MARKET THEME

- Fresh lockdown in euro-zone will keep euro lower in coming days.
- Recent German Economic Sentiment Index pointing that recovery in eurozone is unlikely atleast for next few quarters.
- A breach of 1.1670 in EURUSD will drag the pair towards 1.1600 in coming sessions.

FX Majors	CMP	1W	1M
EURUSD	1.1722	-0.78%	-0.42%
GBPUSD	1.2937	-0.99%	0.95%
USDJPY	105.39	0.06%	0.71%

FX Cross INR	CMP	1W	1M
USDINR	73.44	0.17%	-0.12%
EURINR	86.07	-0.63%	-0.56%
GBPINR	95.03	-0.80%	0.85%
JPYINR	69.69	0.11%	-0.82%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	5.93%	-6.50	-11.10
US	0.76%	-1.47	6.12
Germany	-0.62%	-8.45	-14.05
UK	0.18%	-6.43	-0.01

Flows	DTD	WTD	MTD
FII's (INR Crs)	-479.59	1,185.51	6,189.02

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

## MACRO ANALYSIS

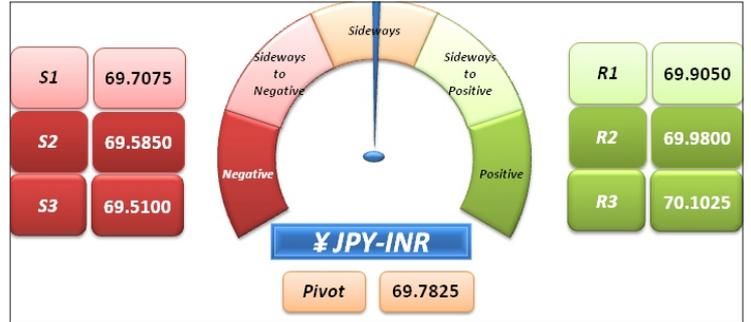
After the big stimulus rally in euro apparently looks to fade all the momentum. Inevitably European's economy is sliding towards a double-dip recession, with economists warning that rising corona virus infections and fresh government restrictions on people's movement are likely to cut short the region's recent recovery.

Germany, France, the UK, Italy, Spain and the Netherlands have all announced measures in the past week to contain the second wave of Covid-19 infections, with more expected in the coming days. Belgium on Sunday announced the closure of all bars and cafés for four weeks, while Switzerland widened its mandate for wearing masks. France put into effect a night curfew in Paris and other cities from Saturday as reported in FT.

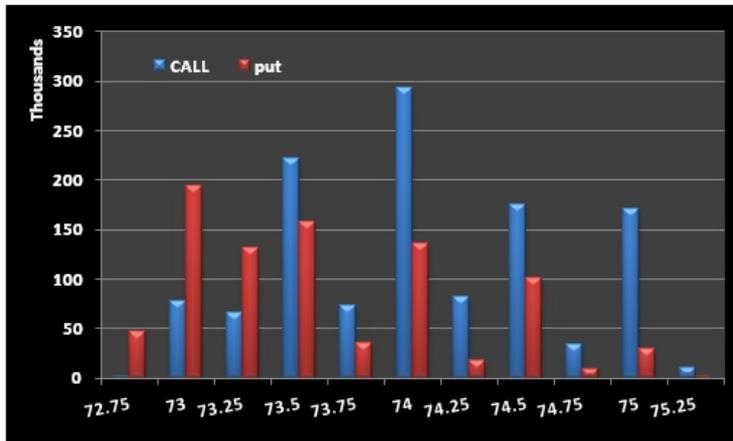
Based on recent German Zew Economic Index does suggest that weakness will continue in euro. Although we may expect uplift in third quarter European GDP number due to release later this month but that too is highly discounted. Technically a breach of 1.1670 will open the door of EURUSD to fall towards 1.1600 and in rupee term, 85.60 on spot is a support, below we can expect the pair to dip below 85.00 in coming days.

## ECONOMIC DATA

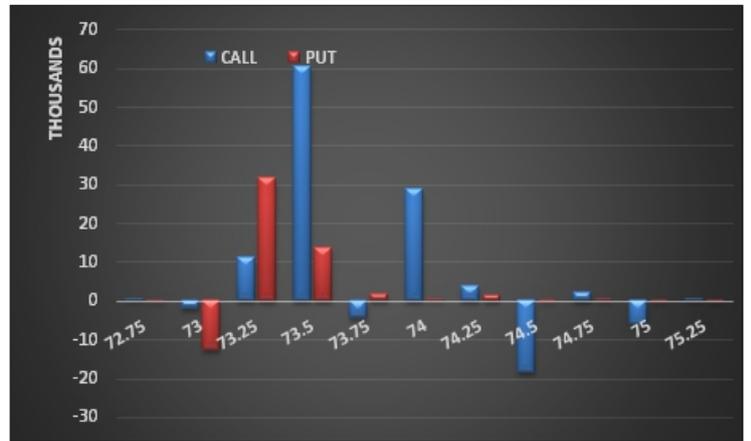
	IST	Previous	Median	SMC's Forecast
USD Fed Chair Powell Speaks	17:30	-	-	-



USDINR Options Activity (Near Month)



USDINR OI Change (FTD)



USDINR Option Greek Data (Near Month)

27-Oct-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	
73.42																	
71.75	1.5775	1.77	0.0%	0.97	0.077	0.01	-0.02	0.02	0.0050	0.01	7.7%	-0.03	0.077	0.01	0.00	0.00	
72.00	1.4175	1.53	0.0%	0.94	0.120	0.01	-0.02	0.01	0.0050	0.02	6.7%	-0.06	0.120	0.01	-0.01	0.00	
72.25	1.0900	1.30	0.0%	0.90	0.175	0.02	-0.02	0.01	0.0050	0.04	5.8%	-0.10	0.175	0.02	-0.01	0.00	
72.50	0.9500	1.08	0.0%	0.85	0.237	0.03	-0.02	0.01	0.0125	0.08	5.6%	-0.15	0.237	0.03	-0.01	0.00	
72.75	0.6900	0.88	0.0%	0.78	0.300	0.03	-0.03	0.01	0.0250	0.12	5.3%	-0.22	0.300	0.03	-0.02	0.00	
73.00	0.4825	0.69	0.0%	0.70	0.355	0.04	-0.03	0.01	0.0650	0.19	5.5%	-0.30	0.355	0.04	-0.02	0.00	
73.25	0.3375	0.53	4.1%	0.61	0.393	0.04	-0.03	0.01	0.1350	0.27	5.6%	-0.39	0.393	0.04	-0.02	-0.01	
73.50	0.1875	0.39	4.2%	0.51	0.408	0.04	-0.03	0.01	0.2650	0.39	6.2%	-0.49	0.408	0.04	-0.02	-0.01	
73.75	0.1200	0.28	5.1%	0.41	0.396	0.042	-0.03	0.01	0.4300	0.52	6.8%	-0.59	0.396	0.04	-0.02	-0.01	
74.00	0.0775	0.19	5.7%	0.31	0.361	0.04	-0.03	0.00	0.6400	0.68	7.8%	-0.69	0.361	0.04	-0.01	-0.01	
74.25	0.0500	0.13	6.3%	0.23	0.309	0.03	-0.02	0.00	0.8900	0.87	9.6%	-0.77	0.309	0.03	-0.01	-0.01	
74.50	0.0375	0.08	7.1%	0.16	0.248	0.03	-0.02	0.00	1.1200	1.07	10.7%	-0.84	0.248	0.03	-0.01	-0.01	
74.75	0.0225	0.05	7.4%	0.11	0.187	0.02	-0.01	0.00	1.3800	1.29	12.6%	-0.89	0.187	0.02	0.00	-0.01	
75.00	0.0175	0.03	8.1%	0.07	0.132	0.01	-0.01	0.00	1.5600	1.52	11.3%	-0.93	0.132	0.01	0.00	-0.02	
75.25	0.0150	0.02	8.9%	0.04	0.088	0.01	-0.01	0.00	1.7900	1.76	11.6%	-0.96	0.088	0.01	0.01	-0.02	

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