



# FX DAILY DOSSIER

March 01, 2021

## KEY MARKET THEME

- Strong risk-on sentiment in early Asia may help rupee for a positive start.
- GBP pairs may scale higher ahead of the UK Budget session.
- Euro remains subdued ahead of inflation data due tomorrow.

FX Majors	CMP	1W	1M
EURUSD	1.2085	0.34%	0.19%
GBPUSD	1.3994	-0.14%	2.06%
USDJPY	106.65	0.77%	1.49%

FX Cross INR	CMP	1W	1M
USDINR	73.94	0.57%	0.07%
EURINR	89.34	0.89%	0.24%
GBPINR	103.46	0.75%	2.07%
JPYINR	69.00	-0.21%	-1.41%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	6.24%	18.60	27.30
US	1.49%	28.09	40.44
Germany	-0.23%	19.58	28.13
UK	0.79%	26.61	47.58

Flows	DTD	WTD	MTD
FIIIs (INR Crs)	188.08	26,395.63	50,339.63

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

## MACRO ANALYSIS

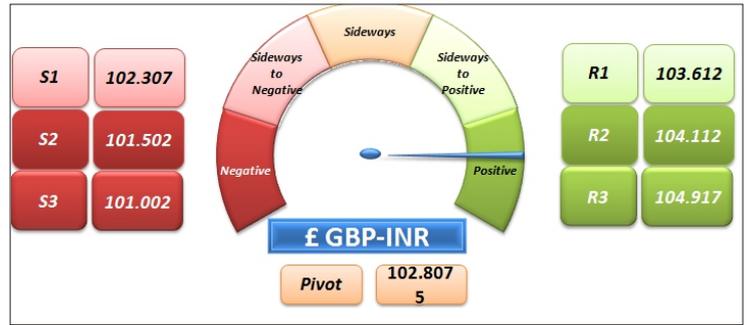
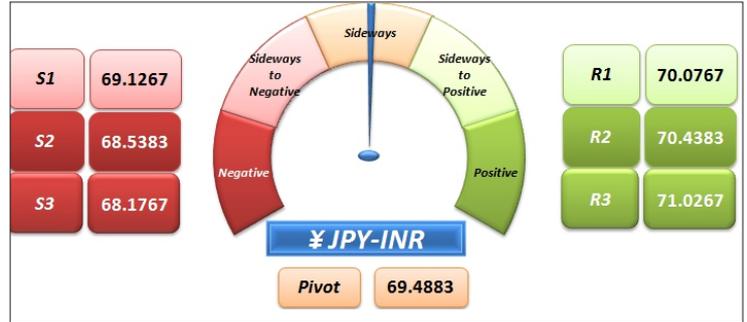
Indian Rupee likely to open a slight positive note after turmoil session for domestic until on last Friday. Rupee plunged more than 1.5% in the wake of higher US yields which we mentioned in our earlier reports. For the day, risk-on sentiment may bring some breather in rupee. However with unwinding of carry trades and drop in forward premiums do suggest that the pain in rupee hasn't gone completely.

The pound lost more than 1.7% vs. the US dollar on Friday as the FX markets sold recent winners in favor of the safe-haven dollar. The pound remains, however, up 2% since early February and up 13% since July 1st. However we do think pound has potential to run higher from the present levels.

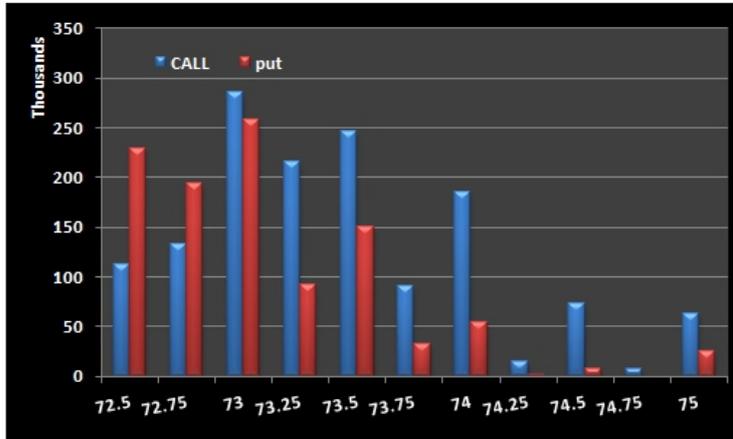
While the euro peaked on Friday above \$1.22 then gave back a full penny to \$1.21 as uncertainty regarding rising bond yields caused FX traders and hedgers to close bullish euro positions and flee to the safety of the US dollar. The Eurozone continues to struggle with vaccination roll-outs, leading investors to believe the common market will lag other global economies in its recovery from the pandemic. Still, the euro is up 8% vs. the dollar since July 1st and many FX market watcher consider the euro undervalued relative to the dollar.

## ECONOMIC DATA

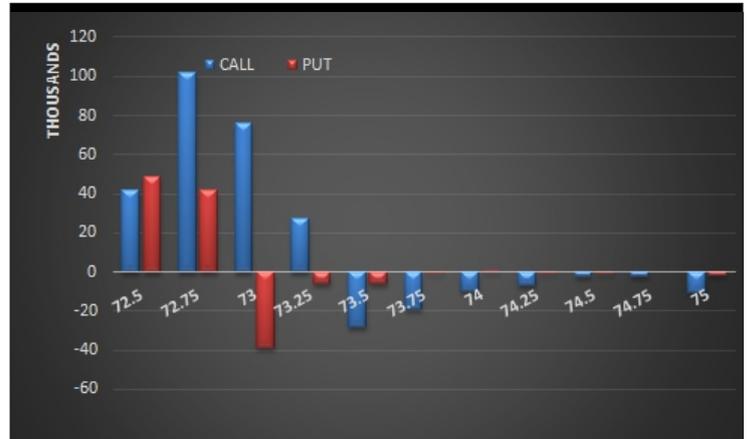
	IST	Previous	Median	SMC's Forecast
USD Chicago PMI	20:15	63.8	61	61



USDINR Options Activity (Near Month)



USDINR OI Change (FTD)



USDINR Option Greek Data (Near Month)

26-Mar-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	
72.32	0.0000	1.82	0.0%	1.00	0.006	0.00	-0.01	0.01	0.0000	0.00	0.5%	0.00	0.006	0.00	0.00	0.00	
71.25	0.0000	1.82	0.0%	1.00	0.006	0.00	-0.01	0.01	0.0000	0.00	0.5%	0.00	0.006	0.00	0.00	0.00	
71.50	1.2450	1.57	0.0%	1.00	0.021	0.00	-0.01	0.01	0.0075	0.00	8.0%	0.00	0.021	0.00	0.00	0.00	
71.75	1.3200	1.32	5.2%	0.99	0.059	0.00	-0.01	0.01	0.0075	0.00	6.9%	-0.01	0.059	0.00	0.00	0.00	
72.00	0.7775	1.08	0.0%	0.96	0.135	0.01	-0.01	0.01	0.0150	0.01	6.6%	-0.04	0.135	0.01	0.00	0.00	
72.25	0.5550	0.84	0.0%	0.91	0.260	0.02	-0.02	0.01	0.0175	0.02	5.6%	-0.09	0.260	0.02	-0.01	0.00	
72.50	0.3450	0.63	0.0%	0.83	0.420	0.03	-0.02	0.01	0.0500	0.06	5.8%	-0.17	0.420	0.03	-0.01	0.00	
72.75	0.1750	0.43	0.0%	0.70	0.571	0.03	-0.02	0.01	0.1325	0.11	6.5%	-0.30	0.571	0.03	-0.01	0.00	
73.00	0.0800	0.28	0.8%	0.55	0.653	0.04	-0.02	0.01	0.2875	0.21	8.0%	-0.45	0.653	0.04	-0.01	-0.01	
73.25	0.0400	0.16	2.6%	0.39	0.630	0.039	-0.02	0.01	0.5125	0.34	10.3%	-0.61	0.630	0.04	-0.01	-0.01	
73.50	0.0250	0.09	3.8%	0.24	0.514	0.03	-0.02	0.00	0.7350	0.52	12.1%	-0.76	0.514	0.03	0.00	-0.01	
73.75	0.0125	0.04	4.4%	0.13	0.355	0.02	-0.01	0.00	0.9725	0.72	14.1%	-0.87	0.355	0.02	0.00	-0.01	
74.00	0.0125	0.02	5.6%	0.06	0.208	0.01	-0.01	0.00	1.2200	0.95	16.1%	-0.94	0.208	0.01	0.01	-0.01	
74.25	0.0075	0.01	6.2%	0.03	0.104	0.01	0.00	0.00	1.4550	1.18	17.6%	-0.97	0.104	0.01	0.01	-0.01	
74.50	0.0100	0.00	7.6%	0.01	0.044	0.00	0.00	0.00	1.7350	1.43	20.5%	-0.99	0.044	0.00	0.01	-0.01	
74.75	0.0075	0.00	8.3%	0.00	0.016	0.00	0.00	0.00	0.0000	1.68	0.0%	-1.00	0.016	0.00	0.01	-0.01	

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