



FX DAILY DOSSIER

January 13, 2021

KEY MARKET THEME

- Indian Rupee likely to edge higher amid ease in domestic inflation.
- US monthly CPI release later today will be key for Dollar Index.
- Euro and Pound both are trading higher amid ease in US 10-year yield.

FX Majors	CMP	1W	1M
EURUSD	1.2215	-0.92%	0.11%
GBPUSD	1.3681	0.52%	1.27%
USDJPY	103.57	0.49%	0.10%

FX Cross INR	CMP	1W	1M
USDINR	73.20	0.09%	-0.53%
EURINR	89.43	-0.82%	-0.39%
GBPINR	100.14	0.61%	0.73%
JPYINR	70.69	-0.39%	-0.62%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	5.93%	3.40	-2.60
US	1.11%	19.14	21.31
Germany	-0.47%	10.65	16.87
UK	0.36%	15.47	18.17

Flows	DTD	WTD	MTD
FIIs (INR Crs)	571.47	10,053.69	12,974.59

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

MACRO ANALYSIS

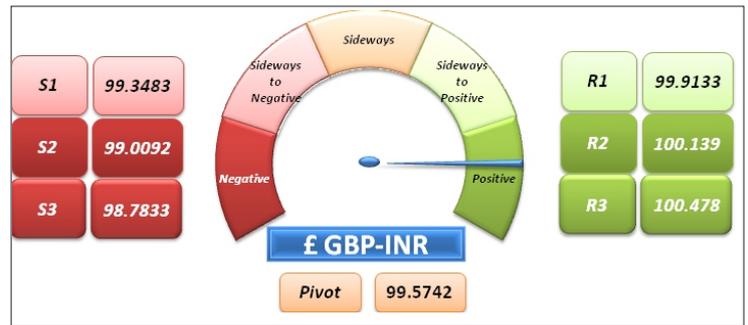
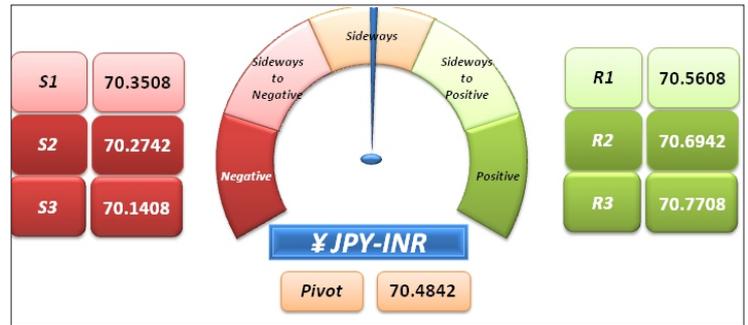
Indian Rupee likely to open on a higher note after December monthly inflation fell sharply to 4.59% compared to 6.93% in November and 7.35% a year ago in the same time frame. Lower inflation always remain helpful for bonds prices as well as supportive for rupee as well. Additionally dollar gave-up its recent gains after yield on 10-year note fell sharply to 1.10% from 1.17%. We think rupee may find steep resistance around 73.00 (spot) for the day.

Meanwhile important economic data - monthly inflation in US due later today will guide the dollar move further. Apparently market is expecting a month-on-month rise of 0.4% rise in the consumer price index for December. On a year-on-year basis, expectations on prices to have increased 1.3%.

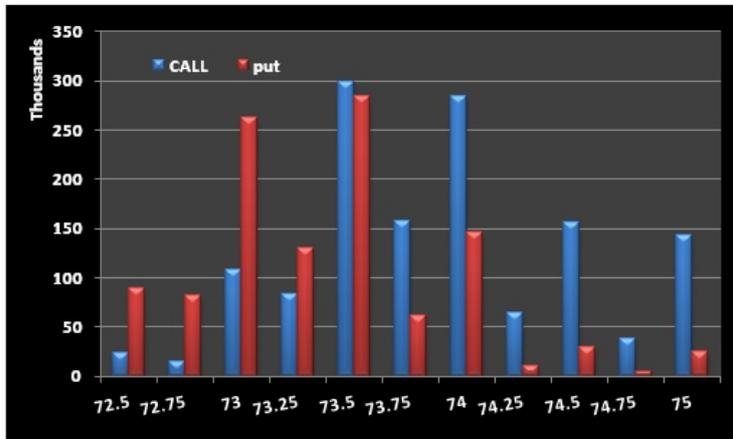
The UK pound rallied to its highest level in a week after Bank of England Governor Andrew Baily downplayed the idea of negative rates, an idea that had gained credibility as more lockdowns and restrictions were put into effect. While euro edge higher above 1.22 (yesterday we mentioned that the euro may find bid below 1.2150). We think the uptrend in both euro and pound will continue in coming days.

ECONOMIC DATA

	IST	Previous	Median	SMC's Forecast
EUR ECB President Lagarde Speaks	14:30			
USD CPI m/m	19:00	0.20%	0.40%	0.40%



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	
73.45																	
71.75	1.7100	1.86	0.0%	0.99	0.042	0.01	-0.01	0.03	0.0075	0.00	6.5%	-0.01	0.042	0.01	0.00	0.00	
72.00	1.3900	1.62	0.0%	0.97	0.077	0.01	-0.01	0.03	0.0100	0.01	6.0%	-0.03	0.077	0.01	0.00	0.00	
72.25	1.1450	1.38	0.0%	0.94	0.129	0.02	-0.01	0.03	0.0125	0.02	5.4%	-0.06	0.129	0.02	0.00	0.00	
72.50	0.9100	1.15	0.0%	0.90	0.198	0.02	-0.02	0.03	0.0225	0.04	5.2%	-0.10	0.198	0.02	0.00	0.00	
72.75	0.6800	0.93	0.0%	0.84	0.278	0.03	-0.02	0.02	0.0475	0.07	5.3%	-0.16	0.278	0.03	-0.01	0.00	
73.00	0.4775	0.73	0.0%	0.76	0.358	0.04	-0.02	0.02	0.1000	0.12	5.5%	-0.24	0.358	0.04	-0.01	-0.01	
73.25	0.3325	0.55	0.0%	0.66	0.422	0.05	-0.02	0.02	0.1900	0.19	5.9%	-0.34	0.422	0.05	-0.01	-0.01	
73.50	0.2125	0.40	2.6%	0.55	0.458	0.06	-0.02	0.02	0.3250	0.29	6.6%	-0.45	0.458	0.06	-0.01	-0.01	
73.75	0.1275	0.28	3.3%	0.44	0.457	0.057	-0.02	0.01	0.4925	0.42	7.3%	-0.56	0.457	0.06	-0.01	-0.02	
74.00	0.0850	0.19	4.0%	0.33	0.419	0.05	-0.02	0.01	0.6975	0.57	8.3%	-0.67	0.419	0.05	0.00	-0.02	
74.25	0.0550	0.12	4.5%	0.23	0.355	0.04	-0.01	0.01	0.9125	0.75	9.3%	-0.77	0.355	0.04	0.00	-0.02	
74.50	0.0375	0.07	5.0%	0.16	0.276	0.03	-0.01	0.00	1.1450	0.96	10.4%	-0.84	0.276	0.03	0.00	-0.02	
74.75	0.0250	0.04	5.4%	0.10	0.199	0.02	-0.01	0.00	1.3950	1.17	11.8%	-0.90	0.199	0.02	0.01	-0.03	
75.00	0.0200	0.02	6.0%	0.06	0.132	0.02	0.00	0.00	1.6300	1.41	12.8%	-0.94	0.132	0.02	0.01	-0.03	
75.25	0.0150	0.01	6.4%	0.03	0.081	0.01	0.00	0.00	1.6900	1.64	8.6%	-0.97	0.081	0.01	0.01	-0.03	

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