



# FX DAILY DOSSIER

February 17, 2021

## KEY MARKET THEME

- Fresh bid in US Dollar triggers for a red opening in Indian Rupee.
- Better than estimated US manufacturing survey data for the month of February helped Dollar Index to reverse its yesterday's losses.
- Euro retreated from its one-week high amid rebound in US Dollar.

FX Majors	CMP	1W	1M
EURUSD	1.2095	-0.21%	-0.11%
GBPUSD	1.3876	0.30%	1.63%
USDJPY	105.98	1.32%	2.36%

FX Cross INR	CMP	1W	1M
USDINR	72.93	0.19%	0.03%
EURINR	88.23	0.01%	-0.03%
GBPINR	101.23	0.52%	1.70%
JPYINR	68.83	-1.10%	-2.26%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	6.10%	-5.70	13.60
US	1.31%	13.78	21.62
Germany	-0.34%	10.30	19.67
UK	0.62%	13.63	33.06

Flows	DTD	WTD	MTD
FII's (INR Crs)	1,144.09	5,072.24	21,844.65

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

## MACRO ANALYSIS

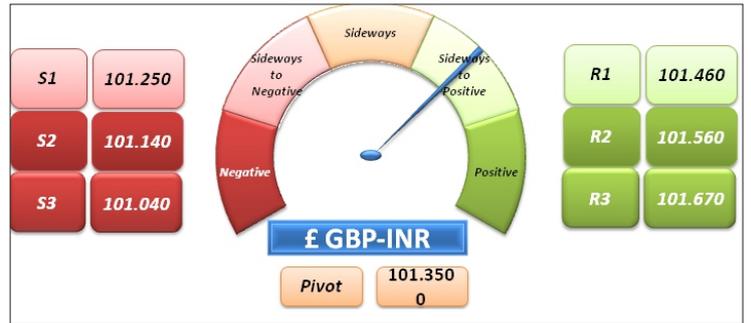
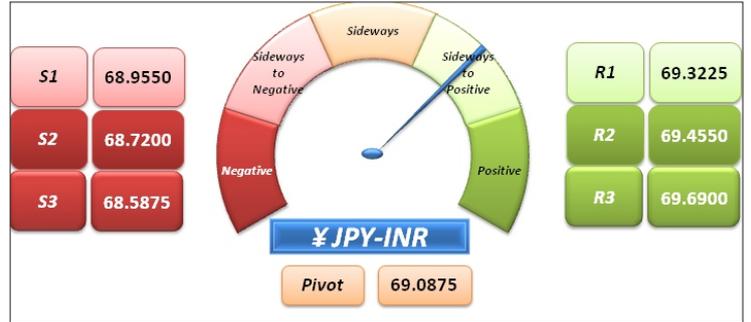
Indian Rupee likely to open on a weaker note after fresh dollar bid in early Asia pushed EM currencies in red. Yesterday we had mentioned that Rupee may find strong resistance around 72.50 - 72.60 zone amid RBI's intervention as well as oil headwinds. Overnight strong US manufacturing survey release triggered the rebound in dollar. We think rupee has the potential to fall below 73.20 in coming days.

Meanwhile US equities notched new all-time highs on Tuesday before paring back some gains and Treasuries sold off, as investors drew confidence from the rollout of Covid-19 vaccines and the prospects of another large relief package for the world's largest economy as mentioned in FT. Further trigger will come in the forex space from the latest development on the same.

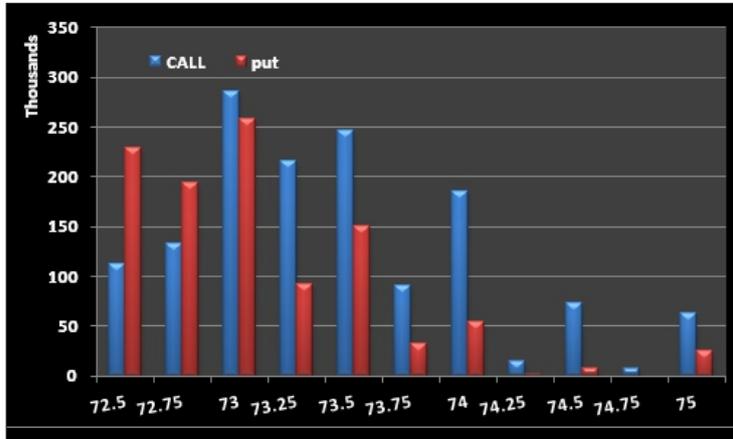
From the majors Sterling retreated from its latest high of 1.3952. GBPUSD approaches the psychological level of 1.40 as virus concerns in the UK ease. We will wait for substantial dip in pound to buy further. While EURUSD too fell from its one-week high of 1.2169 following rebound on the US dollar as markets were optimistic on a global recovery.

## ECONOMIC DATA

	IST	Previous	Median	SMC's Forecast
GBP CPI y/y	12:30	0.60%	0.60%	0.60%
USD Retail Sales m/m	19:00	-0.70%	1.10%	1.10%



USDINR Options Activity (Near Month)



USDINR OI Change (FTD)



USDINR Option Greek Data (Near Month)

24-Feb-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		
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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