



# FX DAILY DOSSIER

September 22, 2020

## KEY MARKET THEME

- Sentiment in Rupee turned negative after sharp sell-off in global equities.
- Allegations of money laundering in HSBC and Standard Chartered spook sharp reversal in risk-on rally.
- Later in the Bank of England's Governor speech will guide Sterling's move.

FX Majors	CMP	1W	1M
EURUSD	1.1765	-0.70%	-0.61%
GBPUSD	1.2807	-0.64%	-2.62%
USDJPY	104.47	-0.92%	-1.80%

FX Cross INR	CMP	1W	1M
USDINR	73.46	-0.20%	-1.03%
EURINR	86.44	-0.88%	-1.61%
GBPINR	94.12	-0.80%	-3.58%
JPYINR	70.32	0.74%	0.79%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	6.02%	-2.60	-7.20
US	0.67%	-0.24	3.20
Germany	-0.53%	-4.90	-2.26
UK	0.16%	-2.60	-4.99

Flows	DTD	WTD	MTD
FII's (INR Crs)	-539.81	1,149.29	736.53

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

## MACRO ANALYSIS

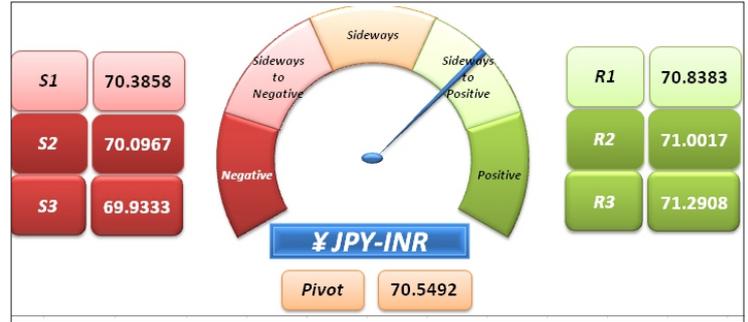
Indian rupee likely to open lower amid fresh global equity sell-off witnessed overnight in US major indices in the wake fresh concerns over re-locking major economies as covid cases are surging rapidly. However expectations of foreign fund inflows amid fresh IPO lined up this week - Angel Broking, CAMS, Chemcon Specialty and few listed companies are planning to raise funds through QIP routes may help rupee not to fall abruptly. Moreover on Thursday this week, Chinese Bonds may get approval for getting listed in global bond index which may bring more risk-on sentiment in Asian currencies in coming days. For the day, USD/INR may remains in a range of 73.35 - 73.75.

Risk sentiment further turned sour after shares of HSBC and Standard Chartered dropped massively after media reports alleging international lenders had flagged trillions of dollars in transfers to US anti-money laundering authorities. The ICIJ - (the source provider of this news) allegations were based largely on leaked documents covering more than 2,100 suspicious transactions worth more than \$2tn and flagged by lenders and other financial groups to the US Department of Treasury's Financial Crimes Enforcement Network between 1999 and 2017.

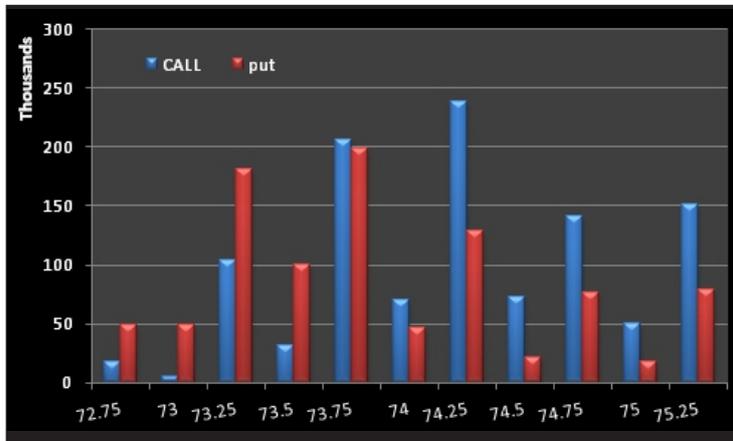
Meanwhile Pound continues to drift lower amid UK health authority repeatedly warning for a possible lockdown in the UK economy. The piece of attraction in today's session will be Bank of England's Governor Speech in which he may hint about the possibilities of deployment of negative rates. Investors will be closely watching BoE Governor's two scheduled appearances on Tuesday and Thursday in a bid to gain further clues about the BoE's intentions, while a survey of manufacturing conditions in the UK out on Wednesday will provide clues about the strength of the economic recovery.

## ECONOMIC DATA

	IST	Previous	Median	SMC's Forecast
GBP BOE Gov Bailey Speaks	13:00	-44	-32	-32
USD Fed Chair Powell Testifies	20:00	-	-	-



USDINR Options Activity (Near Month)



USDINR OI Change (FTD)



USDINR Option Greek Data (Near Month)

28-Sep-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
73.46																
71.75	2.0300	1.78	23.4%	1.00	0.015	0.00	-0.01	0.01	0.0025	0.00	8.2%	0.00	0.015	0.00	0.00	0.00
72.00	0.0000	1.53	0.0%	0.99	0.039	0.00	-0.01	0.01	0.0050	0.00	7.9%	-0.01	0.039	0.00	0.00	0.00
72.25	1.5725	1.28	20.8%	0.97	0.089	0.01	-0.01	0.01	0.0025	0.01	6.1%	-0.03	0.089	0.01	0.00	0.00
72.50	1.3700	1.04	20.0%	0.94	0.176	0.01	-0.02	0.01	0.0075	0.02	6.0%	-0.06	0.176	0.01	-0.01	0.00
72.75	1.0850	0.81	16.6%	0.88	0.299	0.02	-0.02	0.01	0.0125	0.04	5.3%	-0.12	0.299	0.02	-0.01	0.00
73.00	0.8425	0.60	14.4%	0.79	0.438	0.03	-0.02	0.01	0.0250	0.08	4.7%	-0.21	0.438	0.03	-0.01	0.00
73.25	0.6200	0.42	12.5%	0.66	0.553	0.03	-0.03	0.01	0.0550	0.15	4.1%	-0.34	0.553	0.03	-0.02	0.00
73.50	0.3950	0.28	10.2%	0.52	0.604	0.04	-0.03	0.01	0.1000	0.25	3.0%	-0.48	0.604	0.04	-0.02	-0.01
73.75	0.2600	0.17	9.6%	0.37	0.572	0.036	-0.02	0.00	0.1875	0.39	0.0%	-0.63	0.572	0.04	-0.01	-0.01
74.00	0.1450	0.09	8.7%	0.24	0.470	0.03	-0.02	0.00	0.3250	0.57	0.0%	-0.76	0.470	0.03	-0.01	-0.01
74.25	0.0875	0.05	8.8%	0.14	0.335	0.02	-0.01	0.00	0.5150	0.77	0.0%	-0.86	0.335	0.02	0.00	-0.01
74.50	0.0450	0.02	8.5%	0.07	0.208	0.01	-0.01	0.00	0.7200	0.99	0.0%	-0.93	0.208	0.01	0.00	-0.01
74.75	0.0250	0.01	8.7%	0.03	0.113	0.01	0.00	0.00	0.9400	1.23	0.0%	-0.97	0.113	0.01	0.01	-0.01
75.00	0.0175	0.00	9.3%	0.01	0.053	0.00	0.00	0.00	1.1950	1.48	0.0%	-0.99	0.053	0.00	0.01	-0.01
75.25	0.0100	0.00	9.5%	0.00	0.022	0.00	0.00	0.00	1.4400	1.72	0.0%	-1.00	0.022	0.00	0.01	-0.01

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