



FX DAILY DOSSIER

October 29, 2020

KEY MARKET THEME

- Indian Rupee likely to open below 74.00 following the strong risk-aversion sentiment in the global markets.
- The US benchmark S&P 500 fell 3.5 per cent, its biggest one-day loss since June amid sharp rise in covid cases in US.
- Euro continues to remain weak after fresh lockdown in Europe triggered growth concerns.

FX Majors	CMP	1W	1M
EURUSD	1.1755	-0.56%	0.07%
GBPUSD	1.2992	-0.70%	0.81%
USDJPY	104.45	-0.41%	-1.04%

FX Cross INR	CMP	1W	1M
USDINR	74.11	0.60%	1.22%
EURINR	87.10	0.02%	1.27%
GBPINR	96.29	-0.11%	2.05%
JPYINR	70.96	1.03%	2.30%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	5.86%	-7.10	-18.10
US	0.79%	4.13	12.92
Germany	-0.62%	-0.51	-9.68
UK	0.22%	3.27	2.64

Flows	DTD	WTD	MTD
FII's (INR Crs)	-1,130.98	6,398.36	15,829.23

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

MACRO ANALYSIS

The dollar held gains against a basket of major currencies on Thursday as escalating corona virus cases in Europe stoked fears across markets that fresh lockdowns would further hit the already fragile economic recovery. Concerns of further damage to the economic recovery grew as French President Emmanuel Macron and German Chancellor Angela Merkel ordered their countries back into lockdown on Wednesday, as a massive second wave of corona virus cases threatened to overwhelm Europe.

Amid surging cases across Europe, the European Central Bank meeting on Thursday is expected to resist pressure to unveil new stimulus measures, but will likely pave the way for action in December. Traders also braced for volatility with the U.S election less than a week away, while the country, like Europe, also faces an increase in corona virus infections. With former Vice President Joe Biden consistently leading in the polls over President Donald Trump, traders cautiously bet on his victory and a possible "blue wave" outcome, where Democrats control both chambers of Congress.

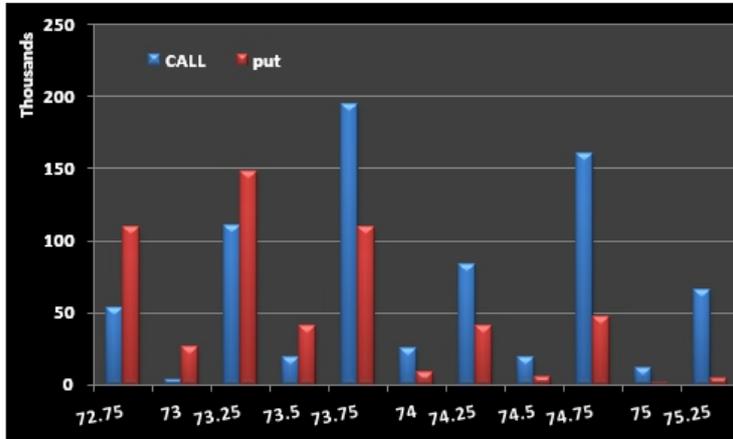
Data due on Thursday includes U.S. third-quarter gross domestic product, which expect to show record growth but not enough to make up for the pandemic impact. The Bank of Japan ends its two-day policy meeting later in the day and expects the central bank to keep monetary settings unchanged. Equity and currency volatility shot higher on Wednesday and the cost of sourcing dollars rose, reflecting fears that the U.S. election and resurgent COVID-19 pandemic could tip markets back into the sort of chaos endured earlier this year.

ECONOMIC DATA

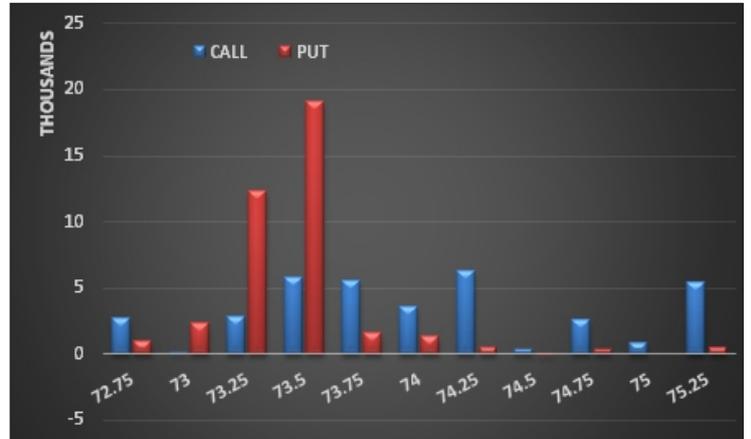
	IST	Previous	Median	SMC's Forecast
JPY Monetary Policy Statement	Tentative	-	-	-
USD Advance GDP q/q	18:00	-31.40%	32.00%	32.00%



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
74.11																
72.25	1.6475	2.25	0.0%	0.89	0.105	0.04	-0.02	0.05	0.0850	0.10	8.6%	-0.11	0.105	0.04	-0.01	-0.01
72.50	1.3025	2.04	0.0%	0.86	0.123	0.05	-0.02	0.05	0.1275	0.13	8.9%	-0.14	0.123	0.05	-0.01	-0.01
72.75	1.2350	1.83	0.0%	0.83	0.142	0.05	-0.02	0.04	0.1775	0.17	9.1%	-0.17	0.142	0.05	-0.01	-0.01
73.00	1.0400	1.63	0.0%	0.79	0.160	0.06	-0.02	0.04	0.2475	0.22	9.4%	-0.21	0.160	0.06	-0.01	-0.01
73.25	0.8850	1.44	0.0%	0.74	0.177	0.06	-0.02	0.04	0.3325	0.28	9.8%	-0.26	0.177	0.06	-0.01	-0.01
73.50	0.7525	1.26	0.0%	0.70	0.192	0.07	-0.02	0.04	0.4250	0.35	10.0%	-0.30	0.192	0.07	-0.01	-0.02
73.75	0.6175	1.10	0.0%	0.65	0.205	0.07	-0.02	0.03	0.5550	0.44	10.5%	-0.35	0.205	0.07	-0.01	-0.02
74.00	0.5025	0.95	3.0%	0.59	0.214	0.08	-0.02	0.03	0.6775	0.53	10.8%	-0.41	0.214	0.08	-0.01	-0.02
74.25	0.4050	0.81	4.0%	0.54	0.219	0.080	-0.02	0.03	0.8350	0.65	11.4%	-0.46	0.219	0.08	-0.01	-0.03
74.50	0.3250	0.68	4.6%	0.49	0.220	0.08	-0.02	0.03	0.9850	0.77	11.7%	-0.51	0.220	0.08	-0.01	-0.03
74.75	0.2525	0.57	4.9%	0.43	0.217	0.08	-0.02	0.02	1.1800	0.91	12.4%	-0.57	0.217	0.08	-0.01	-0.03
75.00	0.2000	0.47	5.3%	0.38	0.210	0.08	-0.02	0.02	1.4525	1.06	14.1%	-0.62	0.210	0.08	-0.01	-0.03
75.25	0.1500	0.39	5.6%	0.33	0.199	0.07	-0.02	0.02	1.5750	1.22	13.7%	-0.67	0.199	0.07	0.00	-0.04
75.50	0.0950	0.31	5.4%	0.28	0.186	0.07	-0.01	0.02	1.7575	1.40	14.0%	-0.72	0.186	0.07	0.00	-0.04
75.75	0.0925	0.25	6.2%	0.24	0.170	0.06	-0.01	0.01	2.0400	1.58	15.6%	-0.76	0.170	0.06	0.00	-0.04

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