



# FX DAILY DOSSIER

October 22, 2020

## KEY MARKET THEME

- Rupee failed to surpass 73.20 in last seven days amid strong RBI's intervention to lift the dollar.
- US fiscal stimulus talks still continue as markets turned volatile.
- Pound recorded the biggest rally since March amid optimism of a possible Brexit deal.

FX Majors	CMP	1W	1M
EURUSD	1.1844	1.15%	1.49%
GBPUSD	1.3131	1.75%	3.04%
USDJPY	104.68	-0.73%	-0.69%

FX Cross INR	CMP	1W	1M
USDINR	73.66	0.31%	-0.33%
EURINR	87.24	1.45%	1.15%
GBPINR	96.74	2.08%	2.70%
JPYINR	70.38	1.06%	0.37%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	5.92%	-2.00	-9.20
US	0.81%	3.73	11.32
Germany	-0.59%	-6.26	-10.32
UK	0.24%	-4.03	5.78

Flows	DTD	WTD	MTD
FII's (INR Crs)	2,108.48	6,535.84	11,539.35

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 flat note as what offshore rates are pointing. Yesterday Rupee failed to surpass 73.20 on spot in last seven days amid strong possible intervention from RBI to protect the said level. However trend in FIIs flows into domestic equity remains strong in October which may give support to rupee in coming days. So far in this month FIIs poured over \$1.7 billion and ahead of US election the flows likely to continue. For the day Rupee may follow a range of 73.40 - 73.80.

Meanwhile optimism in US Fiscal Stimulus package pushed dollar index lower as Democrats and Republicans inched closer to agreeing a second major fiscal stimulus for the world's largest economy. However there is no concrete announcement yet and if any disappointment comes before US election may trigger huge risk-on sell-off across the board.

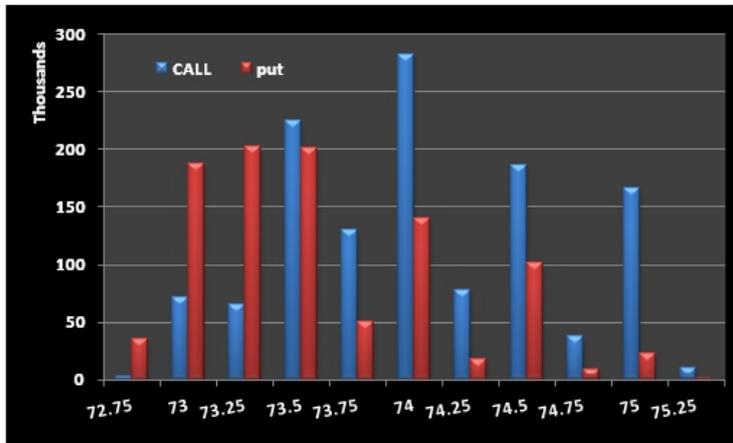
The pound on Wednesday recorded the biggest rally since March amid ease in Brexit talks. Sterling gained steadily helped by EU chief negotiator Michel Barrier's comments that a trade deal between the UK and the bloc was "within reach" if both sides were prepared to compromise. The signs of potential progress mark a turnaround from late last week, when prime minister Boris Johnson warned that the UK was prepared to walk away without a deal unless the EU showed a "fundamental change of approach".

## ECONOMIC DATA

	IST	Previous	Median	SMC's Forecast
GBP BOE Gov Bailey Speaks	14:55	-	-	-



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
73.66																
72.00	1.7425	1.72	12.9%	0.99	0.042	0.00	-0.01	0.01	0.0025	0.00	8.6%	-0.01	0.042	0.00	0.00	0.00
72.25	1.1775	1.47	0.0%	0.97	0.083	0.01	-0.02	0.01	0.0075	0.01	8.8%	-0.03	0.083	0.01	0.00	0.00
72.50	1.3000	1.23	13.4%	0.94	0.147	0.01	-0.02	0.01	0.0050	0.02	7.1%	-0.06	0.147	0.01	-0.01	0.00
72.75	1.0400	1.00	11.0%	0.90	0.233	0.02	-0.02	0.01	0.0075	0.04	6.2%	-0.10	0.233	0.02	-0.01	0.00
73.00	0.7900	0.79	9.0%	0.82	0.333	0.02	-0.03	0.01	0.0175	0.07	5.9%	-0.18	0.333	0.02	-0.02	0.00
73.25	0.5550	0.60	7.5%	0.73	0.428	0.03	-0.03	0.01	0.0325	0.13	5.1%	-0.27	0.428	0.03	-0.02	0.00
73.50	0.3150	0.43	5.5%	0.61	0.494	0.03	-0.04	0.01	0.0775	0.21	4.7%	-0.39	0.494	0.03	-0.03	0.00
73.75	0.1900	0.29	6.0%	0.48	0.514	0.03	-0.04	0.00	0.1675	0.33	4.4%	-0.52	0.514	0.03	-0.03	-0.01
74.00	0.1075	0.19	6.4%	0.36	0.482	0.032	-0.03	0.00	0.3375	0.47	4.5%	-0.64	0.482	0.03	-0.02	-0.01
74.25	0.0550	0.11	6.7%	0.25	0.408	0.03	-0.03	0.00	0.5350	0.65	2.7%	-0.75	0.408	0.03	-0.02	-0.01
74.50	0.0350	0.06	7.4%	0.16	0.312	0.02	-0.02	0.00	0.7600	0.85	0.0%	-0.84	0.312	0.02	-0.01	-0.01
74.75	0.0200	0.03	7.9%	0.09	0.216	0.01	-0.01	0.00	0.9900	1.07	0.0%	-0.91	0.216	0.01	0.00	-0.01
75.00	0.0150	0.02	8.8%	0.05	0.135	0.01	-0.01	0.00	1.2475	1.30	0.0%	-0.95	0.135	0.01	0.00	-0.01
75.25	0.0125	0.01	9.8%	0.03	0.077	0.01	0.00	0.00	1.8575	1.54	25.6%	-0.97	0.077	0.01	0.01	-0.01
75.50	0.0075	0.00	10.2%	0.01	0.040	0.00	0.00	0.00	1.7550	1.79	0.0%	-0.99	0.040	0.00	0.01	-0.01

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