



FX DAILY DOSSIER

October 07, 2020

KEY MARKET THEME

- USDINR upside may get cap ahead of RBI Policy announcement on Friday.
- Global equities fell after Trump's blocked for releasing fiscal package until election gets over.
- Pound will remain choppy ahead of new rounds of Brexit talks till Friday.

FX Majors	CMP	1W	1M
EURUSD	1.1728	0.04%	-0.65%
GBPUSD	1.2878	-0.35%	-0.95%
USDJPY	105.65	0.20%	-0.50%

FX Cross INR	CMP	1W	1M
USDINR	73.44	-0.13%	0.18%
EURINR	86.14	-0.07%	-0.47%
GBPINR	94.58	-0.48%	-0.77%
JPYINR	69.52	-0.33%	0.69%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	6.03%	-1.30	9.00
US	0.74%	8.59	2.23
Germany	-0.51%	1.99	-3.93
UK	0.29%	9.94	2.51

Flows	DTD	WTD	MTD
FIIs (INR Crs)	1,101.76	-1,559.05	2,970.72

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

MACRO ANALYSIS

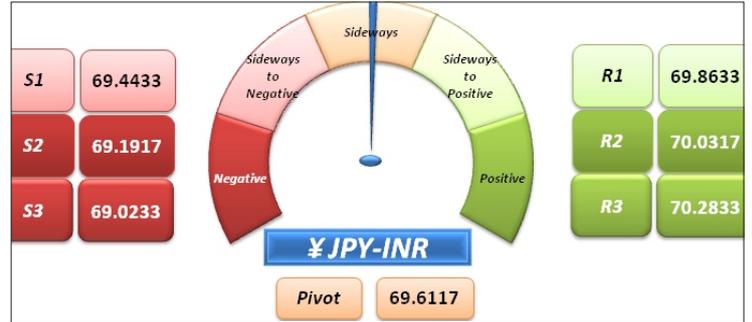
Indian Rupee likely to open lower following the overnight risk-off sentiment after Trump called-off stimulus package until election gets over. Admittedly markets are bracing for huge volatility and we may see either side move on a frequent basis. Ahead of RBI policy announcement on upcoming Friday, we think RBI will keep rate unchanged and likely to deliver dovish statements which can act as a catalyst for rupee to remain on positive side. For the day, USDINR may face resistance around 73.65 (spot) and may fall further amid expectations of strong dollar inflows.

Meanwhile Donald Trump has abruptly broken off talks with congressional Democrats on a new fiscal stimulus package until after next month's presidential election. The move, announced by Mr Trump on Twitter on Tuesday, triggered an immediate sell-off in US equity markets as economists warned that the lack of government support could jeopardize America's recovery from the corona virus pandemic. Speaker of the House has proposed a new round of stimulus worth \$2.4tn, whereas the White House has offered \$1.6tn, leaving a large gap between the sides. Global equities are now facing huge uncertainty emerging out from US politics as mentioned in FT.

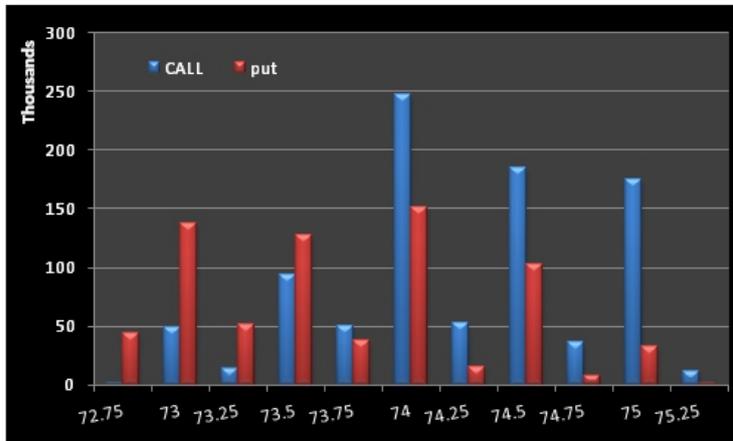
Additionally Jay Powell, the chair of the Federal Reserve, has warned US policymakers that providing too little support for the American economy would be far more dangerous than offering excessive help, as he made one of this most detailed appeals for more fiscal stimulus which triggered euro and other carry currencies to fall against USD in fear of rising uncertainty about growth and hurdles for fresh fiscal stimulus. While Pound will be vulnerable as fresh rounds of Brexit talks starting from Thursday and requires high alert on Pound's move based on incoming Brexit statements.

ECONOMIC DATA

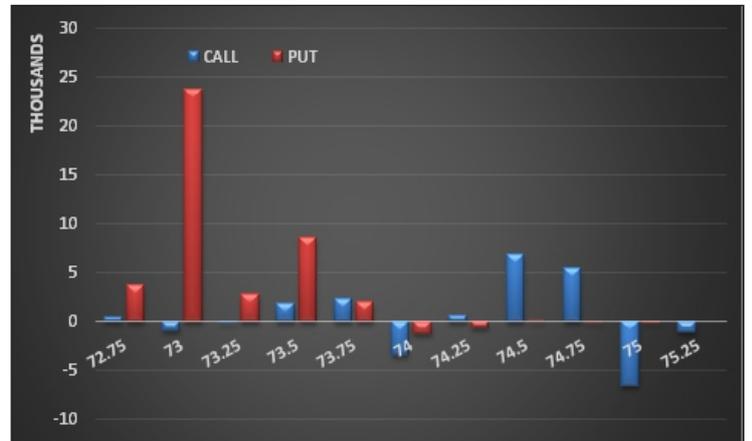
	IST	Previous	Median	SMC's Forecast
USD FOMC Meeting Minutes	23:30	-	-	-



USDINR Options Activity (Near Month)



USDINR OI Change (FTD)



USDINR Option Greek Data (Near Month)

27-Oct-20	CALL				Option Greeks					PUT				Option Greeks				
73.44	MKT_PRICE	Theoretical	IV	DELTA	GAMMA	VEGA	THETA	RHO	MKT_PRICE	Theoretical	IV	DELTA	GAMMA	VEGA	THETA	RHO		
71.75	1.5775	1.91	0.0%	0.99	0.037	0.01	-0.01	0.04	0.0175	0.00	6.4%	-0.01	0.037	0.01	0.00	0.00		
72.00	1.6600	1.66	4.4%	0.97	0.069	0.01	-0.01	0.04	0.0275	0.01	6.3%	-0.03	0.069	0.01	0.00	0.00		
72.25	1.4075	1.42	2.6%	0.95	0.117	0.02	-0.01	0.04	0.0375	0.02	5.9%	-0.05	0.117	0.02	0.00	0.00		
72.50	1.1450	1.19	0.0%	0.91	0.183	0.03	-0.01	0.04	0.0600	0.03	5.8%	-0.09	0.183	0.03	0.00	0.00		
72.75	0.9275	0.97	3.6%	0.86	0.262	0.04	-0.01	0.03	0.1000	0.06	5.9%	-0.14	0.262	0.04	0.00	-0.01		
73.00	0.7400	0.77	4.4%	0.78	0.343	0.05	-0.01	0.03	0.1575	0.11	5.9%	-0.22	0.343	0.05	0.00	-0.01		
73.25	0.5800	0.59	4.9%	0.69	0.413	0.06	-0.02	0.03	0.2400	0.18	6.0%	-0.31	0.413	0.06	0.00	-0.01		
73.50	0.4375	0.43	5.1%	0.58	0.456	0.07	-0.01	0.02	0.3575	0.27	6.3%	-0.42	0.456	0.07	0.00	-0.02		
73.75	0.3300	0.30	5.4%	0.46	0.462	0.068	-0.01	0.02	0.5000	0.39	6.6%	-0.54	0.462	0.07	0.00	-0.02		
74.00	0.2475	0.20	5.7%	0.35	0.431	0.06	-0.01	0.01	0.6675	0.54	7.0%	-0.65	0.431	0.06	0.00	-0.03		
74.25	0.1775	0.13	5.9%	0.25	0.370	0.05	-0.01	0.01	0.8500	0.71	7.3%	-0.75	0.370	0.05	0.00	-0.03		
74.50	0.1325	0.08	6.2%	0.17	0.292	0.04	-0.01	0.01	1.0400	0.91	7.5%	-0.83	0.292	0.04	0.00	-0.03		
74.75	0.0950	0.04	6.4%	0.11	0.213	0.03	-0.01	0.00	1.2700	1.13	8.3%	-0.89	0.213	0.03	0.01	-0.04		
75.00	0.0700	0.02	6.6%	0.06	0.143	0.02	0.00	0.00	1.4750	1.36	8.4%	-0.94	0.143	0.02	0.01	-0.04		
75.25	0.0575	0.01	7.1%	0.03	0.089	0.01	0.00	0.00	1.8150	1.60	11.3%	-0.97	0.089	0.01	0.01	-0.04		

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