



FX DAILY DOSSIER

October 28, 2020

KEY MARKET THEME

- Rupee got supported after MSCI will increase India's weight in its EM equity index.
- Global equities remain weak amid corona virus-related deaths in the US have begun to rise to levels not seen since the summer outbreak.
- Sterling remains muted amid latest round of Brexit talks is about to end today.

FX Majors	CMP	1W	1M
EURUSD	1.1780	-0.69%	0.49%
GBPUSD	1.3032	-0.87%	0.84%
USDJPY	104.48	-0.10%	-0.91%

FX Cross INR	CMP	1W	1M
USDINR	74.03	0.58%	0.66%
EURINR	87.20	-0.13%	1.16%
GBPINR	96.47	-0.30%	1.50%
JPYINR	70.86	0.69%	1.60%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	5.85%	-8.20	-19.20
US	0.77%	2.12	10.91
Germany	-0.61%	0.62	-8.55
UK	0.24%	5.10	4.47

Flows	DTD	WTD	MTD
FII's (INR Crs)	3,514.89	7,529.34	16,960.21

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

MACRO ANALYSIS

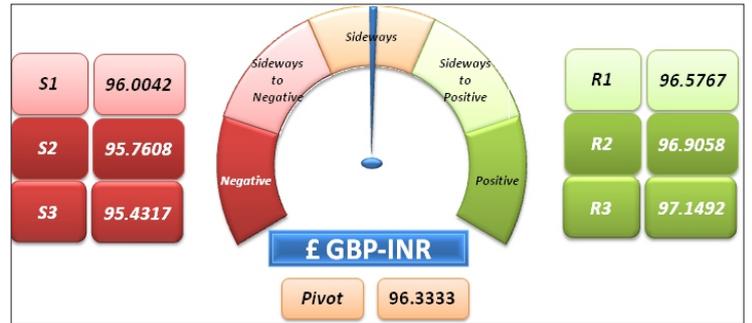
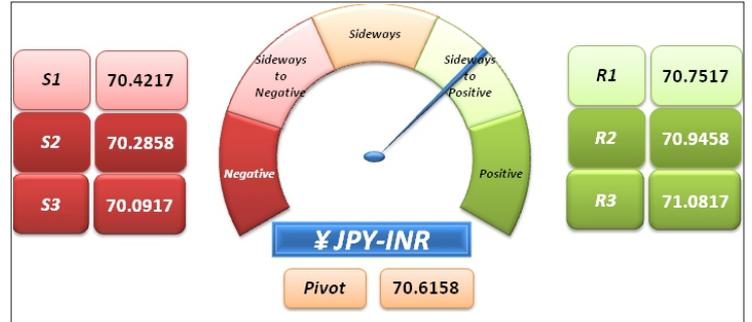
Indian Rupee briefly managed to find support around 74.00 after news came that MSCI will increase India's weight in its EM equity index. The move will boost strong equity flows to the tune of \$2bn as what market is expecting. So far equity inflows in this year remain around \$6bn and it expected to rise further. Admittedly skipping the US election volatility, rupee likely to bias on higher side.

Meanwhile US equities fell for a second-straight day as concerns grew that the worsening pandemic would halt business activity. Wall Street's benchmark index dropped 0.3 per cent after rising earlier in the trading session, following a 1.9 per cent drop on Monday as corona virus case numbers in the US surged higher as mentioned in FT.

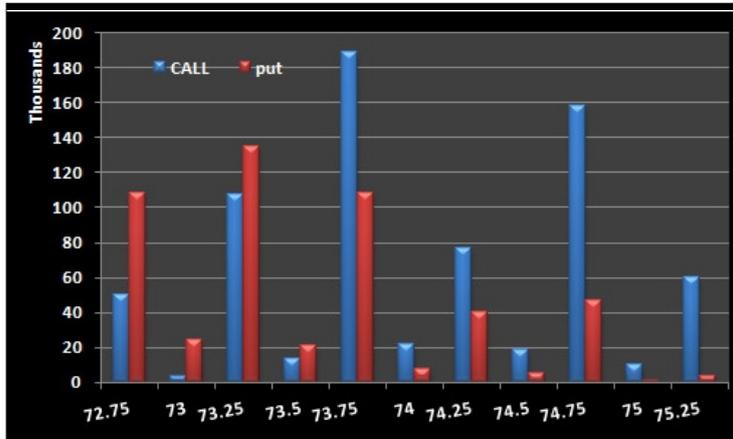
From the major's front, Sterling remains muted despite risk-off sentiment. The Brexit discussion will last today and subsequently reports of progress is being made or not will guide the GBP pairs. However in numerous areas and it was reported at the start of the week that it is hoped a solution can be found and the shape of a deal can materialize by Saturday. We will maintain a neutral to positive stance in Sterling amid modest optimism in Brexit negotiations.

ECONOMIC DATA

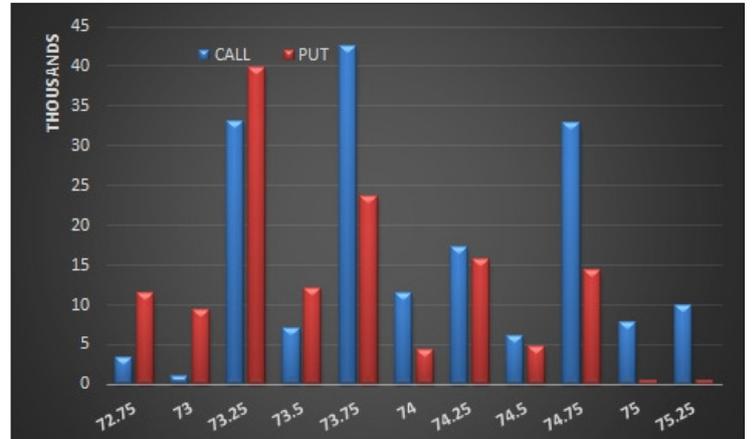
	IST	Previous	Median	SMC's Forecast
USD Crude Oil Inventories	20:00	0.25%	0.25%	0.25%



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
74.03																
72.25	1.4625	2.20	0.0%	0.88	0.111	0.04	-0.02	0.05	0.1100	0.11	8.9%	-0.12	0.111	0.04	-0.01	-0.01
72.50	1.3025	1.99	0.0%	0.85	0.129	0.05	-0.02	0.05	0.1575	0.15	9.2%	-0.15	0.129	0.05	-0.01	-0.01
72.75	1.0950	1.78	0.0%	0.81	0.147	0.06	-0.02	0.04	0.2225	0.19	9.5%	-0.19	0.147	0.06	-0.01	-0.01
73.00	0.9175	1.59	0.0%	0.77	0.164	0.06	-0.02	0.04	0.3025	0.25	9.9%	-0.23	0.164	0.06	-0.01	-0.01
73.25	0.7650	1.40	0.0%	0.73	0.180	0.07	-0.02	0.04	0.4100	0.31	10.4%	-0.27	0.180	0.07	-0.01	-0.02
73.50	0.6325	1.23	0.0%	0.68	0.194	0.07	-0.02	0.04	0.5150	0.39	10.7%	-0.32	0.194	0.07	-0.01	-0.02
73.75	0.5150	1.07	0.0%	0.63	0.204	0.08	-0.02	0.04	0.6700	0.48	11.5%	-0.37	0.204	0.08	-0.01	-0.02
74.00	0.4200	0.92	2.5%	0.58	0.212	0.08	-0.02	0.03	0.7900	0.58	11.7%	-0.42	0.212	0.08	-0.01	-0.02
74.25	0.3300	0.78	3.4%	0.52	0.216	0.082	-0.02	0.03	0.9550	0.69	12.2%	-0.48	0.216	0.08	-0.01	-0.03
74.50	0.2575	0.66	4.0%	0.47	0.216	0.08	-0.02	0.03	1.1200	0.82	12.7%	-0.53	0.216	0.08	-0.01	-0.03
74.75	0.2000	0.55	4.5%	0.42	0.212	0.08	-0.02	0.02	1.3300	0.96	13.6%	-0.58	0.212	0.08	-0.01	-0.03
75.00	0.1500	0.46	4.8%	0.37	0.204	0.08	-0.02	0.02	1.4525	1.11	13.3%	-0.63	0.204	0.08	-0.01	-0.04
75.25	0.1200	0.38	5.2%	0.32	0.193	0.07	-0.02	0.02	1.7425	1.28	15.1%	-0.68	0.193	0.07	0.00	-0.04
75.50	0.0950	0.30	5.6%	0.27	0.180	0.07	-0.01	0.02	1.7575	1.46	13.2%	-0.73	0.180	0.07	0.00	-0.04
75.75	0.0700	0.24	5.7%	0.23	0.164	0.06	-0.01	0.01	2.1950	1.64	16.8%	-0.77	0.164	0.06	0.00	-0.05

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