



FX DAILY DOSSIER

February 16, 2021

KEY MARKET THEME

- Dollar weakens as market optimism lifts riskier currencies.
- Sterling climbs above \$1.39 for first time since 2018.
- World stocks look to extend bull run on economic optimism.

FX Majors	CMP	1W	1M
EURUSD	1.2143	0.18%	0.10%
GBPUSD	1.3939	0.88%	2.24%
USDJPY	105.52	0.92%	1.56%

FX Cross INR	CMP	1W	1M
USDINR	72.61	0.33%	0.79%
EURINR	88.18	-0.15%	-0.67%
GBPINR	101.23	0.56%	1.45%
JPYINR	68.82	-1.23%	-2.31%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	6.10%	10.40	16.40
US	1.24%	4.12	11.96
Germany	-0.38%	9.00	9.28
UK	0.57%	19.19	23.35

Flows	DTD	WTD	MTD
FII's (INR Crs)	1,234.15	3,928.15	20,700.56

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

MACRO ANALYSIS

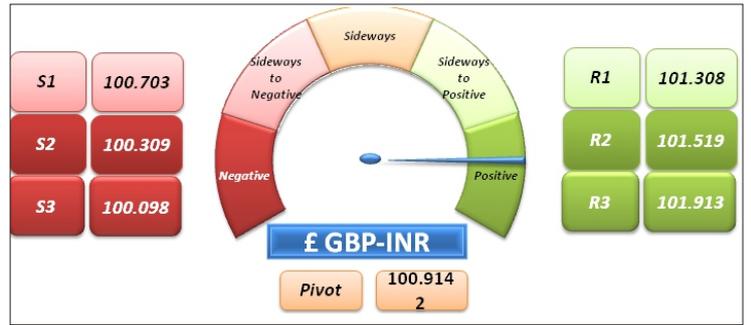
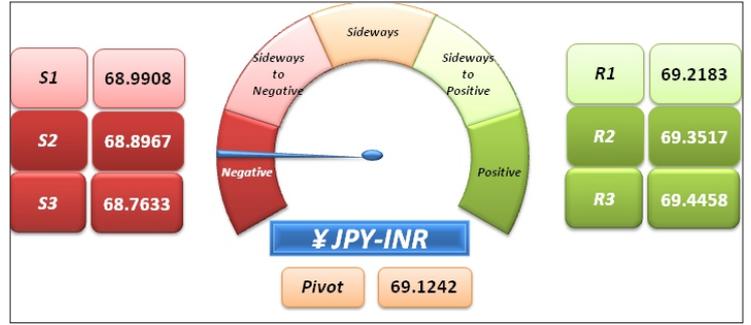
The U.S. dollar held near two-week lows on Monday, as optimism about COVID-19 vaccine rollouts and a planned \$1.9 trillion U.S. stimulus package offered a boost to riskier currencies, stock markets and commodity prices.

The British pound climbed above \$1.39 on Monday for the first time in nearly three years, lifted by broad-based dollar weakness as well as by hopes for the end of a third national lockdown. The currency has made gains against a struggling greenback this month, as the aggressive rollout of the COVID-19 vaccination programme in the United Kingdom raised expectations its economy will be able to recover more swiftly than those of its European peers.

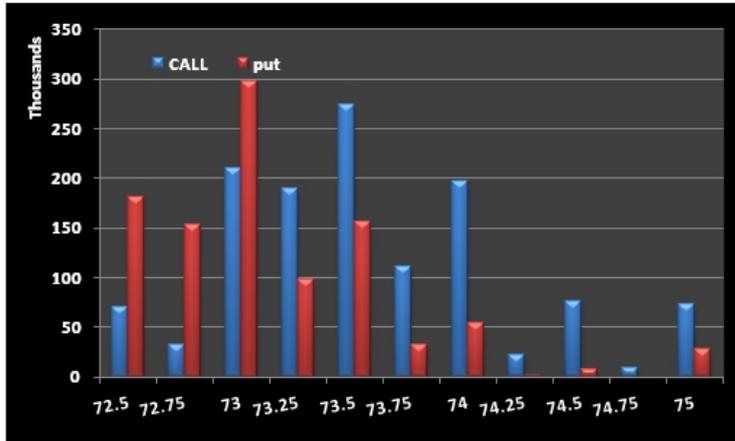
U.S. President Joe Biden is pushing ahead with his plan to pump an extra \$1.9 trillion in stimulus into the economy, in a further boost to market sentiment. Investors are looking to the minutes from the U.S. Federal Reserve's January meeting, due to be published on Wednesday, for confirmation of its commitment to maintain its dovish policy stance over the near future. That in turn is set to keep a tab on bond yields.

ECONOMIC DATA

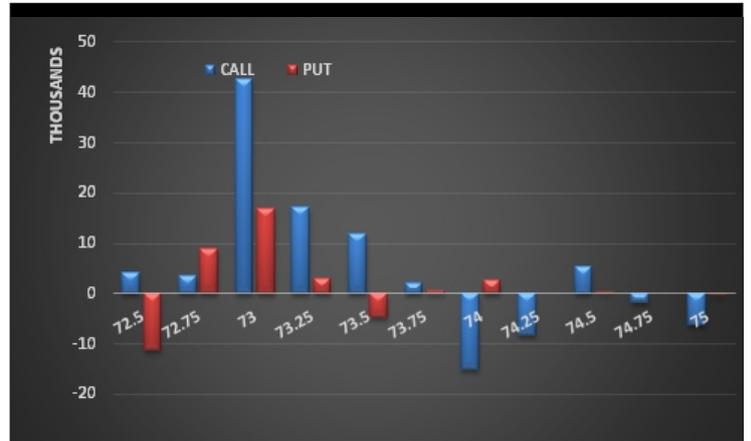
	IST	Previous	Median	SMC's Forecast
USD FOMC Member Bowman Speaks	21:40			



USDINR Options Activity (Near Month)



USDINR OI Change (FTD)



USDINR Option Greek Data (Near Month)

24-Feb-21	CALL				Option Greeks					PUT			Option Greeks				
	MKT_PRICE	Theoretical	IV	DELTA	GAMMA	VEGA	THETA	RHO	MKT_PRICE	Theoretical	IV	DELTA	GAMMA	VEGA	THETA	RHO	
72.95	0.0000	1.90	0.0%	0.99	0.037	0.00	-0.01	0.03	0.0000	0.00	0.4%	-0.01	0.037	0.00	0.00	0.00	
71.25	0.0000	1.90	0.0%	0.99	0.037	0.00	-0.01	0.03	0.0000	0.00	0.4%	-0.01	0.037	0.00	0.00	0.00	
71.50	1.5275	1.66	0.0%	0.97	0.070	0.01	-0.01	0.03	0.0075	0.01	5.9%	-0.03	0.070	0.01	0.00	0.00	
71.75	1.3200	1.42	0.0%	0.95	0.119	0.01	-0.01	0.03	0.0150	0.02	5.8%	-0.05	0.119	0.01	0.00	0.00	
72.00	1.0350	1.18	0.0%	0.91	0.186	0.02	-0.02	0.03	0.0150	0.03	5.0%	-0.09	0.186	0.02	0.00	0.00	
72.25	0.7900	0.96	0.0%	0.86	0.265	0.03	-0.02	0.02	0.0175	0.06	4.2%	-0.14	0.265	0.03	-0.01	0.00	
72.50	0.5650	0.76	0.0%	0.78	0.347	0.04	-0.02	0.02	0.0425	0.11	4.2%	-0.22	0.347	0.04	-0.01	-0.01	
72.75	0.3725	0.58	0.0%	0.68	0.416	0.05	-0.02	0.02	0.0950	0.18	4.3%	-0.32	0.416	0.05	-0.01	-0.01	
73.00	0.2325	0.42	2.5%	0.57	0.457	0.06	-0.02	0.02	0.2100	0.27	4.9%	-0.43	0.457	0.06	-0.01	-0.01	
73.25	0.1350	0.30	3.2%	0.46	0.462	0.057	-0.02	0.01	0.3625	0.39	5.4%	-0.54	0.462	0.06	-0.01	-0.02	
73.50	0.0775	0.20	3.6%	0.34	0.430	0.05	-0.02	0.01	0.5500	0.54	6.1%	-0.66	0.430	0.05	0.00	-0.02	
73.75	0.0450	0.12	4.0%	0.25	0.367	0.05	-0.01	0.01	0.7725	0.72	7.1%	-0.75	0.367	0.05	0.00	-0.02	
74.00	0.0300	0.07	4.5%	0.16	0.289	0.04	-0.01	0.00	0.9800	0.92	7.5%	-0.84	0.289	0.04	0.00	-0.02	
74.25	0.0250	0.04	5.3%	0.10	0.210	0.03	-0.01	0.00	1.2375	1.14	8.9%	-0.90	0.210	0.03	0.01	-0.03	
74.50	0.0200	0.02	5.9%	0.06	0.140	0.02	0.00	0.00	1.4900	1.37	10.2%	-0.94	0.140	0.02	0.01	-0.03	
74.75	0.0100	0.01	5.9%	0.03	0.087	0.01	0.00	0.00	0.0000	1.61	0.0%	-0.97	0.087	0.01	0.01	-0.03	

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