



FX DAILY DOSSIER

November 05, 2020

KEY MARKET THEME

- Joe Biden's victory now close to 6 electoral votes away to the White House.
- Dollar likely to remain weaker on Biden's win.
- Joe Biden received the highest Presidential votes in American history which signify a possible win of Democrats.

FX Majors	CMP	1W	1M
EURUSD	1.1721	0.40%	-0.34%
GBPUSD	1.2954	0.19%	0.12%
USDJPY	104.34	-0.27%	-1.59%

FX Cross INR	CMP	1W	1M
USDINR	74.32	-0.08%	1.39%
EURINR	87.09	0.30%	1.03%
GBPINR	96.26	0.09%	1.51%
JPYINR	71.24	0.20%	3.04%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	5.89%	3.90	-10.90
US	0.74%	-10.26	4.14
Germany	-0.64%	-6.51	-10.32
UK	0.21%	-7.23	-3.93

Flows	DTD	WTD	MTD
FII's (INR Crs)	146.22	3,161.23	3,161.23

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

MACRO ANALYSIS

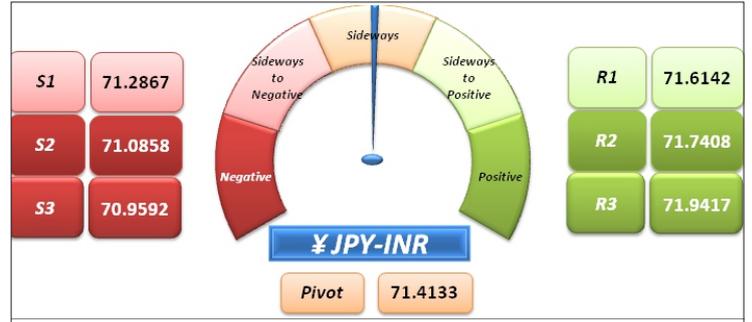
Move in currency markets still swinging randomly amid dealing with a delayed and fraught process to determine the future political make-up of Washington with unusual poise. US stocks and government bonds rallied sharply even though the widely anticipated sweeping victory for Democratic presidential candidate Joe Biden failed to materialize and his party was unlikely to take control of the Senate.

However Joe Biden now very close to wins the presidency race. He is just 6 electoral votes away and market is expecting Biden presidency as well as Republicans hold in the Senate makes things status quo apparently. Accordingly Vix index that measures the expected volatility of US equities dropped sharply from a high of 36 points on the eve of the election to 28.1 points by midday on Wednesday.

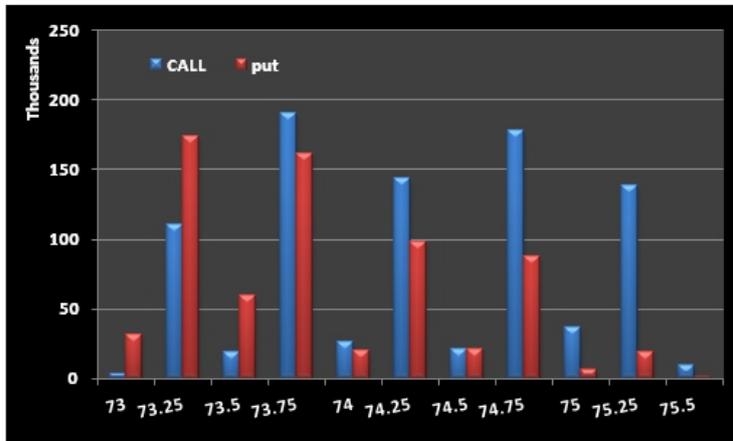
Although markets still remain cautioned that significant legal challenges to the election results could weigh heavily on sentiment. "Any suggestion that the outcome could be contested by either the Trump or Biden campaigns is likely to be viewed dimly by investors, and could give way to a period of renewed volatility in equity and currency markets as mentioned in FT.

ECONOMIC DATA

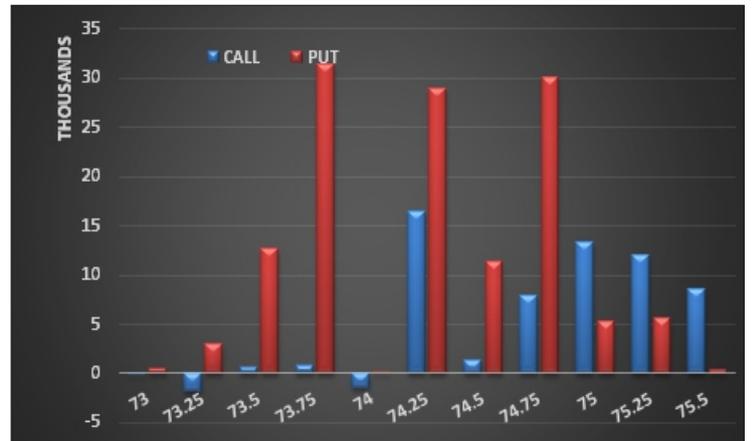
	IST	Previous	Median	SMC's Forecast
GBP BOE Monetary Policy Report	12:30	-	-	-
GBP BOE Gov Bailey Speaks	13:00	-	-	-



USDINR Options Activity (Near Month)



USDINR OI Change (FTD)



USDINR Option Greek Data (Near Month)

25-Nov-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
74.33																
72.50	1.3025	2.11	0.0%	0.91	0.104	0.03	-0.02	0.04	0.0275	0.07	7.3%	-0.09	0.104	0.03	-0.01	0.00
72.75	1.8200	1.89	6.3%	0.88	0.128	0.03	-0.02	0.03	0.0375	0.09	7.1%	-0.12	0.128	0.03	-0.01	0.00
73.00	1.8100	1.68	11.8%	0.84	0.153	0.04	-0.02	0.03	0.0575	0.13	7.0%	-0.16	0.153	0.04	-0.01	-0.01
73.25	1.3600	1.47	6.2%	0.80	0.178	0.05	-0.02	0.03	0.0800	0.17	6.8%	-0.20	0.178	0.05	-0.01	-0.01
73.50	1.1700	1.28	6.8%	0.75	0.201	0.05	-0.02	0.03	0.1325	0.23	7.1%	-0.25	0.201	0.05	-0.01	-0.01
73.75	0.9800	1.10	6.9%	0.70	0.222	0.06	-0.02	0.03	0.1900	0.30	7.1%	-0.30	0.222	0.06	-0.01	-0.01
74.00	0.8050	0.94	6.9%	0.64	0.238	0.06	-0.02	0.03	0.2650	0.38	7.1%	-0.36	0.238	0.06	-0.01	-0.01
74.25	0.6425	0.79	6.9%	0.58	0.249	0.07	-0.02	0.02	0.3500	0.48	7.0%	-0.42	0.249	0.07	-0.01	-0.02
74.50	0.5200	0.65	7.1%	0.52	0.254	0.069	-0.02	0.02	0.4750	0.60	7.2%	-0.48	0.254	0.07	-0.01	-0.02
74.75	0.4100	0.53	7.2%	0.45	0.253	0.07	-0.02	0.02	0.6150	0.73	7.4%	-0.55	0.253	0.07	-0.01	-0.02
75.00	0.3125	0.43	7.2%	0.39	0.245	0.07	-0.02	0.02	0.7675	0.87	7.4%	-0.61	0.245	0.07	-0.01	-0.03
75.25	0.2400	0.34	7.4%	0.33	0.232	0.06	-0.02	0.01	0.9425	1.03	7.5%	-0.67	0.232	0.06	-0.01	-0.03
75.50	0.1800	0.27	7.5%	0.28	0.214	0.06	-0.02	0.01	1.1125	1.21	7.3%	-0.72	0.214	0.06	0.00	-0.03
75.75	0.1625	0.21	8.2%	0.23	0.193	0.05	-0.01	0.01	1.3275	1.40	7.6%	-0.77	0.193	0.05	0.00	-0.03
76.00	0.0000	0.16	0.2%	0.18	0.170	0.05	-0.01	0.01	1.8000	1.60	12.9%	-0.82	0.170	0.05	0.00	-0.03

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