



# FX DAILY DOSSIER

September 23, 2020

## KEY MARKET THEME

- Rupee likely to face a negative start after dollar rebounded to the highest level since July.
- Latest statement from Fed's Chair about fiscal expansion prompted dollar at bid.
- Sterling continues to drift lower as the UK economy steps into severe lockdown restrictions.

FX Majors	CMP	1W	1M
EURUSD	1.1692	-1.07%	-1.19%
GBPUSD	1.2730	-1.84%	-3.63%
USDJPY	105.19	0.23%	-0.75%

FX Cross INR	CMP	1W	1M
USDINR	73.53	-0.03%	-0.03%
EURINR	85.93	-1.12%	-2.15%
GBPINR	93.62	-1.83%	-4.52%
JPYINR	69.93	-0.22%	-0.15%

Global Yields	10Y-Yield	1W(bps)	1M(bps)
India	6.01%	-3.00	-7.60
US	0.67%	0.17	3.61
Germany	-0.50%	-2.37	0.27
UK	0.21%	2.09	-0.24

Flows	DTD	WTD	MTD
FII's (INR Crs)	-2,072.76	-2,996.23	-1,336.23

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

## MACRO ANALYSIS

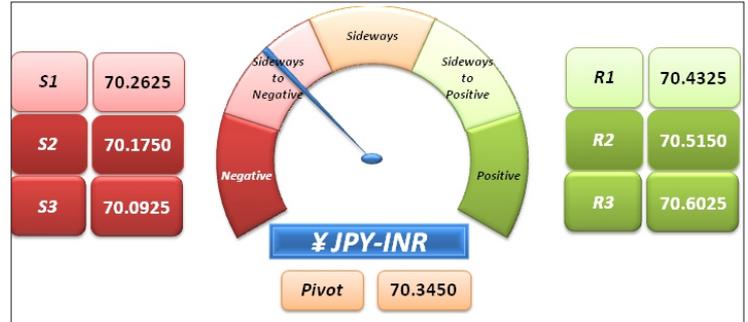
Indian rupee likely to open lower backed by strong rebound in dollar globally. The US dollar index, which measures the greenback against a basket of its peers, climbed to its highest point since July, having also rallied on Monday as investors looked to haven assets. Rising covid cases as well as Fed chair's statement about direct fiscal support to businesses that hit by lockdown prompt demand for dollar apparently.

Mr Powell appeared before the House financial services committee on Tuesday as prospects for a Capitol Hill compromise on a relief bill appeared dim, and issued his latest in a series of pleas for additional federal action in response to the pandemic-induced economic downturn.

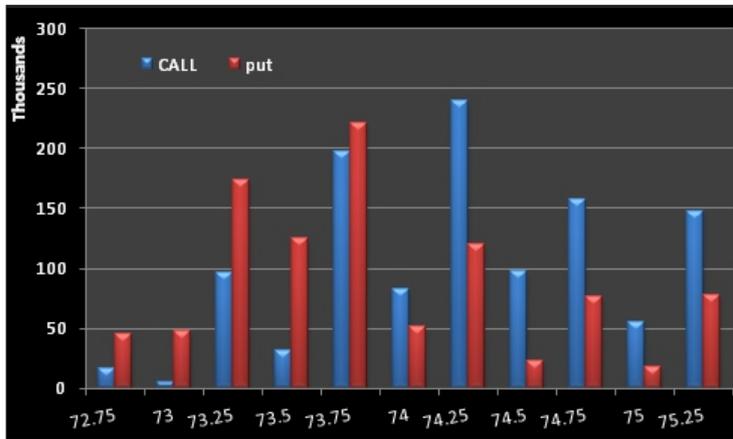
The UK is imposing stricter lockdown measures, including forcing pubs and other hospitality venues to close at 10pm from Thursday, and sterling slipped 0.6 per cent against the dollar to trade at \$1.274, its lowest level since July. The currency was weaker even though the governor of the Bank of England made it clear that it did not plan to push interest rates below zero in the near future as reported in FT.

## ECONOMIC DATA

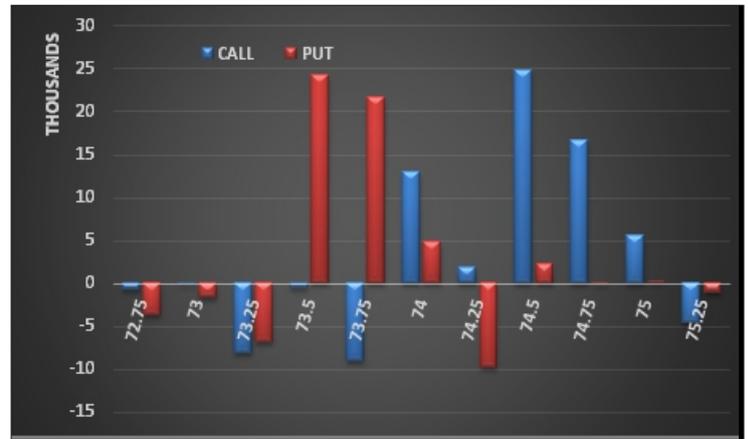
	IST	Previous	Median	SMC's Forecast
EUR French Flash Services PMI	12:45	51.5	52.2	52.2
USD Flash Manufacturing PMI	20:00	53.1	52.5	52.5



USDINR Options Activity (Near Month)



USDINR OI Change (FTD)



USDINR Option Greek Data (Near Month)

28-Sep-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
73.52																
71.75	2.0300	1.82	24.0%	1.00	0.006	0.00	-0.01	0.01	0.0025	0.00	9.2%	0.00	0.006	0.00	0.00	0.00
72.00	0.0000	1.58	0.0%	1.00	0.020	0.00	-0.01	0.01	0.0050	0.00	8.8%	0.00	0.020	0.00	0.00	0.00
72.25	1.4900	1.33	18.0%	0.99	0.056	0.00	-0.01	0.01	0.0025	0.00	6.9%	-0.01	0.056	0.00	0.00	0.00
72.50	1.3700	1.08	20.7%	0.96	0.131	0.01	-0.02	0.01	0.0075	0.01	6.8%	-0.04	0.131	0.01	0.00	0.00
72.75	1.0075	0.85	14.3%	0.92	0.255	0.01	-0.02	0.01	0.0100	0.02	5.8%	-0.08	0.255	0.01	-0.01	0.00
73.00	0.7525	0.63	11.7%	0.83	0.417	0.02	-0.02	0.01	0.0200	0.05	5.2%	-0.17	0.417	0.02	-0.01	0.00
73.25	0.5500	0.44	10.6%	0.71	0.571	0.03	-0.03	0.01	0.0475	0.11	4.7%	-0.29	0.571	0.03	-0.02	0.00
73.50	0.3500	0.28	9.1%	0.55	0.657	0.03	-0.03	0.01	0.1000	0.20	3.9%	-0.45	0.657	0.03	-0.02	0.00
73.75	0.2050	0.16	8.3%	0.39	0.636	0.033	-0.03	0.00	0.1975	0.34	2.4%	-0.61	0.636	0.03	-0.02	-0.01
74.00	0.1050	0.09	7.7%	0.24	0.519	0.03	-0.02	0.00	0.3550	0.51	0.0%	-0.76	0.519	0.03	-0.01	-0.01
74.25	0.0550	0.04	7.7%	0.13	0.358	0.02	-0.01	0.00	0.5600	0.71	0.0%	-0.87	0.358	0.02	0.00	-0.01
74.50	0.0250	0.02	7.7%	0.06	0.209	0.01	-0.01	0.00	0.7775	0.94	0.0%	-0.94	0.209	0.01	0.00	-0.01
74.75	0.0150	0.01	8.2%	0.03	0.103	0.01	0.00	0.00	1.0150	1.18	0.0%	-0.97	0.103	0.01	0.01	-0.01
75.00	0.0100	0.00	8.9%	0.01	0.043	0.00	0.00	0.00	1.2650	1.43	0.0%	-0.99	0.043	0.00	0.01	-0.01
75.25	0.0050	0.00	9.1%	0.00	0.015	0.00	0.00	0.00	1.5150	1.67	0.0%	-1.00	0.015	0.00	0.01	-0.01

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