

FX DAILY DOSSIER



February 02, 2021

KEY MARKET THEME

- Markets extend gains as sentiment improves on outlook.
- Wide expectations of Budget deficit may halt the rupee rally.
- The euro weakened after Germany reported that retail sales plunged .

FX Majors	CMP	1W	1M
EURUSD	1.2083	-0.65%	-1.77%
GBPUSD	1.3692	-0.31%	0.48%
USDJPY	104.90	1.24%	2.12%

FX Cross INR	CMP	1W	1M
USDINR	73.05	0.20%	-0.10%
EURINR	88.26	-0.45%	-1.88%
GBPINR	100.02	-0.14%	0.36%
JPYINR	69.64	-1.03%	-2.19%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	6.08%	11.80	18.30
US	1.08%	-0.46	16.28
Germany	-0.51%	-0.30	5.78
UK	0.32%	1.21	12.37

Flows	DTD	WTD	MTD
FII (INR Crs)	1,494.23	-9,643.17	1,494.23

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

MACRO ANALYSIS

The U.S. dollar reached a six-week high on Monday on weakness in the euro, Swiss franc and Japanese yen amid views that the United States has an advantage in growing its economy and vaccinating its population against COVID-19. The moves came on evidence pointing toward a stronger recovery from the corona virus pandemic for the United States than for other countries.

The euro weakened after Germany reported that retail sales plunged by an unexpected 9.6% in December after tighter lockdowns last year to curb the spread of COVID-19 choked consumer spending in Europe's largest economy.

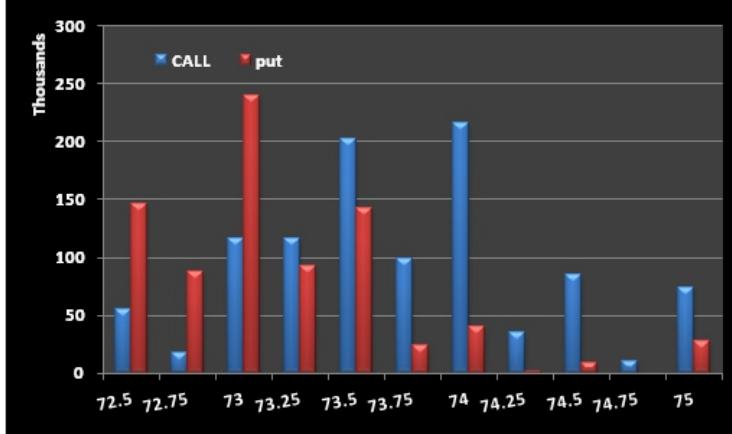
The dollar's gains on Monday came as crude oil and silver, both dollar-denominated commodities, rose 2% and 7%, respectively. Oil was buoyed by falling U.S. crude inventories and rising fuel demand as one of the worst snowstorms in years hit the U.S. Northeast. Besides being an oil producer, Mexico was the world's largest silver producer in 2019, according to data from Statista.

ECONOMIC DATA

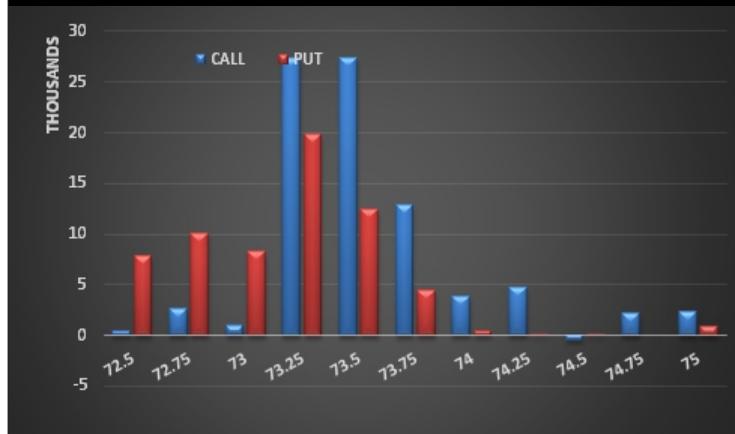
	IST	Previous	Median	SMC's Forecast
EUR Prelim Flash GDP q/q	15:30	12.50%	-0.90%	-0.90%



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		
72.99	0.0000	2.00	0.0%	0.97	0.063	0.01	-0.01	0.04	0.0000	0.01	0.3%	-0.03	0.063	0.01	0.00	0.00		
71.25	1.8275	1.76	8.4%	0.95	0.096	0.02	-0.01	0.04	0.0125	0.02	5.4%	-0.05	0.096	0.02	0.00	0.00		
71.50	1.5825	1.53	7.7%	0.92	0.138	0.03	-0.01	0.04	0.0175	0.04	5.0%	-0.08	0.138	0.03	0.00	0.00		
72.00	1.3325	1.30	6.7%	0.88	0.187	0.04	-0.02	0.04	0.0250	0.06	4.7%	-0.12	0.187	0.04	0.00	-0.01		
72.25	1.1050	1.09	6.3%	0.82	0.240	0.05	-0.02	0.04	0.0350	0.10	4.3%	-0.18	0.240	0.05	0.00	-0.01		
72.50	0.8650	0.90	5.4%	0.76	0.290	0.06	-0.02	0.03	0.0625	0.15	4.2%	-0.24	0.290	0.06	0.00	-0.01		
72.75	0.6700	0.72	5.2%	0.68	0.333	0.06	-0.02	0.03	0.1100	0.23	4.1%	-0.32	0.333	0.06	0.00	-0.01		
73.00	0.4950	0.56	5.1%	0.59	0.361	0.07	-0.02	0.03	0.1875	0.32	4.1%	-0.41	0.361	0.07	0.00	-0.02		
73.25	0.3550	0.43	5.0%	0.50	0.371	0.071	-0.02	0.02	0.3000	0.43	4.2%	-0.50	0.371	0.07	0.00	-0.02		
73.50	0.2450	0.31	5.0%	0.41	0.361	0.07	-0.01	0.02	0.4375	0.57	4.1%	-0.59	0.361	0.07	0.00	-0.03		
73.75	0.1625	0.22	5.0%	0.32	0.334	0.06	-0.01	0.01	0.6025	0.73	3.9%	-0.68	0.334	0.06	0.00	-0.03		
74.00	0.1125	0.16	5.2%	0.25	0.292	0.06	-0.01	0.01	0.8000	0.91	3.8%	-0.75	0.292	0.06	0.00	-0.03		
74.25	0.0725	0.10	5.3%	0.18	0.243	0.05	-0.01	0.01	1.0025	1.11	0.0%	-0.82	0.243	0.05	0.00	-0.04		
74.50	0.0500	0.07	5.5%	0.13	0.192	0.04	-0.01	0.01	1.2225	1.32	0.0%	-0.87	0.192	0.04	0.01	-0.04		
74.75	0.0350	0.04	5.8%	0.08	0.144	0.03	0.00	0.00	0.0000	1.54	0.0%	-0.92	0.144	0.03	0.01	-0.04		



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