



FX DAILY DOSSIER

KEY MARKET THEME

- Dollar friendless as bears pile in, poised for worst week in a month
- Britain and the European Union struck a downbeat tone about the likelihood of an agreement
- The Bank of Japan ends its two-day policy meeting on Friday and is expected to leave rates steady.

FX Majors	CMP	1W	1M
EURUSD	1.2254	1.17%	3.36%
GBPUSD	1.3549	2.43%	2.00%
USDJPY	103.30	-0.69%	-0.53%

FX Cross INR	CMP	1W	1M
USDINR	73.55	-0.26%	-0.82%
EURINR	90.14	0.93%	2.52%
GBPINR	99.66	2.18%	1.18%
JPYINR	71.20	0.42%	-0.29%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	5.95%	5.10	7.00
US	0.93%	-4.12	3.42
Germany	-0.57%	-2.58	-2.21
UK	0.29%	-2.28	-1.35

Flows	DTD	WTD	MTD
FII's (INR Crs)	2,355.25	13,280.92	36,013.15

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

MACRO ANALYSIS

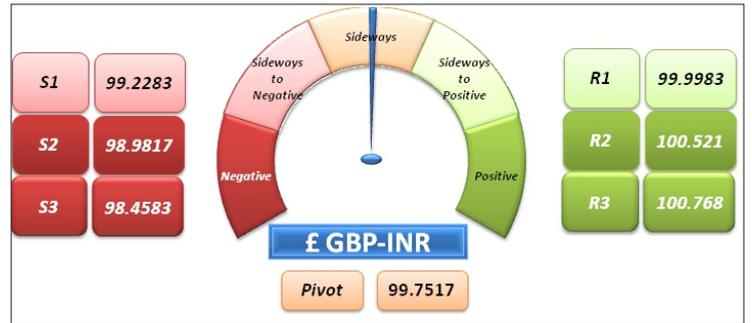
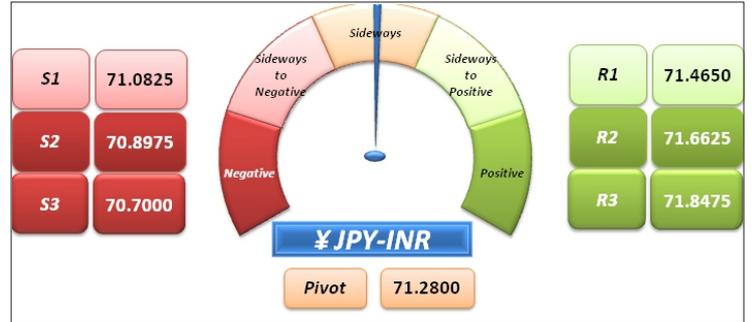
The dollar has sunk through major support levels and looked set for its worst week in a month on Friday, as its accelerating slide sucked in more short sellers keen to make an easy buck. It has slumped to a nine-month low against the safe-haven yen, even though investors have been gobbling up risky assets all week, and fallen to multi-year lows against the euro, pound, Aussie, kiwi and Canadian dollar.

Short positions in the dollar stood not far below nine-year highs last week and news in recent days of vaccine rollouts, progress in Brexit trade talks and U.S. stimulus negotiations has only strengthened dollar bears' resolve. Britain and the European Union struck a downbeat tone about the likelihood of an agreement on Thursday, but investors are betting that is yet more brinkmanship and the pound sat comfortably at \$1.3554 after hitting a 31-month high overnight.

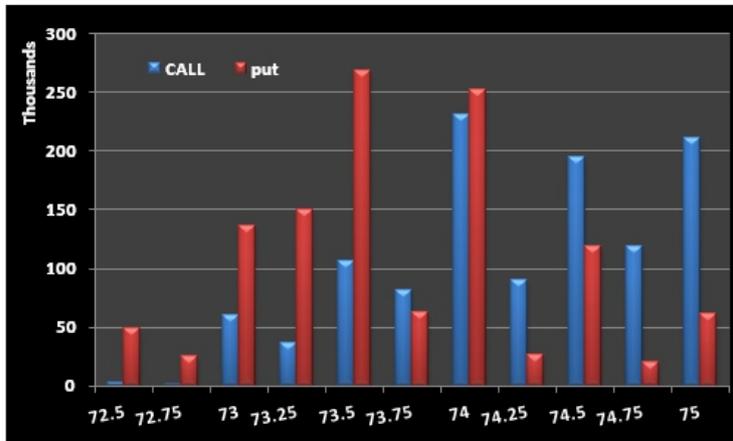
The Bank of Japan ends its two-day policy meeting on Friday and is expected to leave rates steady but announce an extension of a package of steps aimed at easing corporate funding strains. A German sentiment survey and U.S. consumer sentiment data are also due later on Friday.

ECONOMIC DATA

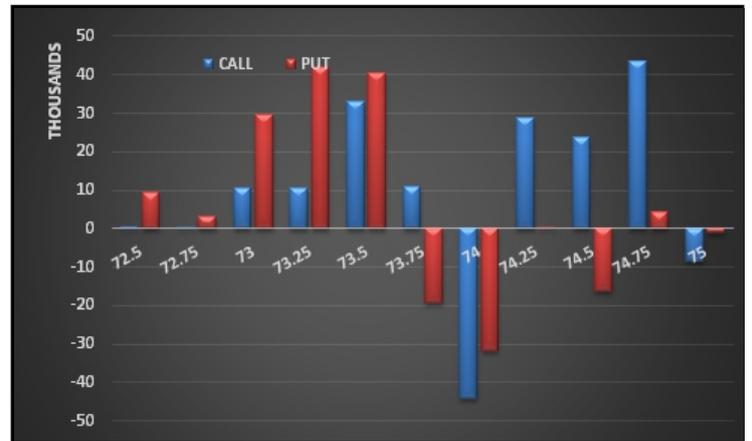
	IST	Previous	Median	SMC's Forecast
JPY Monetary Policy Statement	Tentative			



USDINR Options Activity (Near Month)



USDINR OI Change (FTD)



USDINR Option Greek Data (Near Month)

29-Dec-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	
71.75	1.7500	1.98	0.0%	0.95	0.084	0.01	-0.02	0.02	0.0025	0.02	6.3%	-0.05	0.084	0.01	0.00	0.00	
72.00	1.6700	1.75	0.0%	0.93	0.117	0.02	-0.02	0.02	0.0075	0.04	6.5%	-0.07	0.117	0.02	-0.01	0.00	
72.25	1.5225	1.52	9.1%	0.89	0.155	0.02	-0.02	0.02	0.0075	0.06	5.7%	-0.11	0.155	0.02	-0.01	0.00	
72.50	1.1950	1.30	0.0%	0.85	0.197	0.03	-0.02	0.02	0.0100	0.10	5.1%	-0.15	0.197	0.03	-0.01	0.00	
72.75	0.8275	1.10	0.0%	0.79	0.239	0.04	-0.02	0.02	0.0125	0.14	4.4%	-0.21	0.239	0.04	-0.01	-0.01	
73.00	0.6800	0.91	0.0%	0.73	0.277	0.04	-0.02	0.02	0.0250	0.20	4.1%	-0.27	0.277	0.04	-0.01	-0.01	
73.25	0.4550	0.74	0.0%	0.65	0.308	0.05	-0.03	0.02	0.0550	0.28	3.9%	-0.35	0.308	0.05	-0.01	-0.01	
73.50	0.2825	0.59	2.9%	0.57	0.327	0.05	-0.03	0.01	0.1300	0.38	4.1%	-0.43	0.327	0.05	-0.01	-0.01	
73.75	0.1650	0.46	3.5%	0.49	0.332	0.053	-0.03	0.01	0.2650	0.50	4.6%	-0.51	0.332	0.05	-0.01	-0.01	
74.00	0.0975	0.35	4.0%	0.41	0.323	0.05	-0.02	0.01	0.4450	0.64	5.2%	-0.59	0.323	0.05	-0.01	-0.01	
74.25	0.0600	0.26	4.5%	0.33	0.302	0.05	-0.02	0.01	0.6500	0.80	5.8%	-0.67	0.302	0.05	-0.01	-0.02	
74.50	0.0350	0.19	4.8%	0.26	0.270	0.04	-0.02	0.01	0.8800	0.97	6.6%	-0.74	0.270	0.04	-0.01	-0.02	
74.75	0.0200	0.13	5.1%	0.20	0.231	0.04	-0.02	0.00	1.1225	1.17	7.7%	-0.80	0.231	0.04	0.00	-0.02	
75.00	0.0175	0.09	5.9%	0.15	0.190	0.03	-0.01	0.00	1.3625	1.38	8.5%	-0.85	0.190	0.03	0.00	-0.02	
75.25	0.0075	0.06	5.8%	0.10	0.150	0.02	-0.01	0.00	1.5975	1.60	9.1%	-0.90	0.150	0.02	0.00	-0.02	

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