



# FX DAILY DOSSIER

October 12, 2020

## KEY MARKET THEME

- Indian Rupee likely to remain stable ahead of September Inflation release later today.
- Chinese Yuan fell sharply after PBoC lifted margin requirements to sell yuan.
- Markets sentiments still stuck with concrete US Fiscal Stimulus announcement.

FX Majors	CMP	1W	1M
EURUSD	1.1819	0.27%	-0.37%
GBPUSD	1.3030	0.36%	1.44%
USDJPY	105.61	-0.12%	-0.11%

FX Cross INR	CMP	1W	1M
USDINR	73.02	-0.14%	-0.50%
EURINR	86.29	0.14%	-0.90%
GBPINR	95.13	0.23%	0.90%
JPYINR	69.14	0.00%	-0.38%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	5.94%	-9.70	0.60
US	0.77%	7.89	10.63
Germany	-0.52%	0.45	-5.47
UK	0.28%	9.32	1.89

Flows	DTD	WTD	MTD
FII's (INR Crs)	-39.39	3,371.26	5,003.51

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

## MACRO ANALYSIS

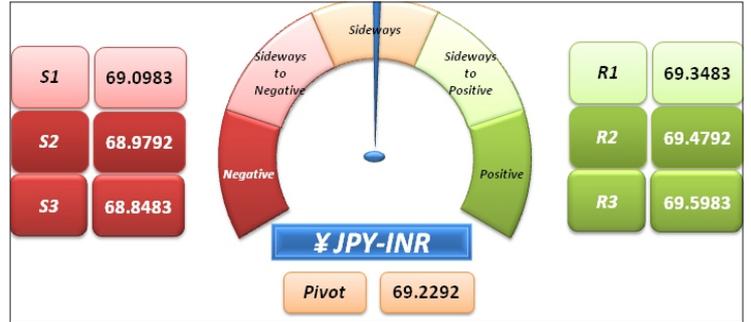
The dollar inched up in early Monday trade as riskier currencies slipped after negotiation on a U.S. stimulus package ran into resistance and as the yuan dropped after China's central bank took a measure seen as aimed at curbing its strength. President Donald Trump on Friday offered a \$1.8 trillion corona virus relief package in talks with House Speaker Nancy Pelosi - moving closer to Pelosi's \$2.2 trillion proposal. But Trump's offer drew criticism from several Senate Republicans, many of whom are uneasy about the nation's growing debt and concerned a deal would cost Republicans support in the upcoming presidential election, denting the risk-on mood.

The offshore Chinese yuan dropped after the People's Bank of China (PBOC) said it will lower the reserve requirement ratio for financial institutions when conducting some foreign exchange forwards trading. The yuan hit a 17-month high on Friday, both in onshore and offshore trade, having gained more than 6% against the dollar since late May largely driven by a favourable yield differential between China and other major economies.

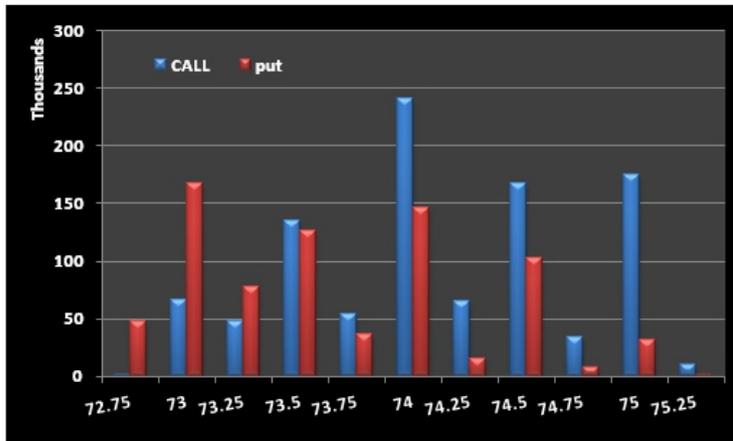
Elsewhere, sterling traded at \$1.3035 GBP=D4, having reached a one-month high of \$1.3050 on Friday on guarded optimism about Brexit negotiations ahead of a European Union summit this week.

## ECONOMIC DATA

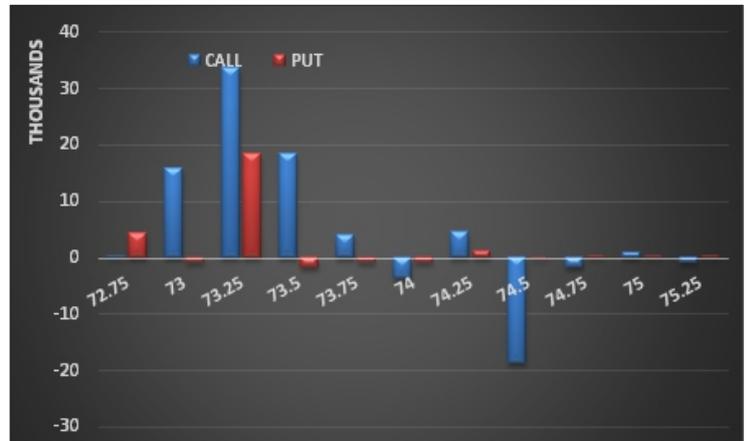
	IST	Previous	Median	SMC's Forecast
GBP BOE Gov Bailey Speaks	21:30	-	-	-



USDINR Options Activity (Near Month)



USDINR OI Change (FTD)



USDINR Option Greek Data (Near Month)

27-Oct-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	
73.02	0.0000	1.93	0.0%	1.00	0.016	0.00	-0.01	0.03	0.0000	0.00	0.4%	0.00	0.016	0.00	0.00	0.00	
71.25	0.0000	1.93	0.0%	1.00	0.016	0.00	-0.01	0.03	0.0000	0.00	0.4%	0.00	0.016	0.00	0.00	0.00	
71.50	1.7800	1.68	10.2%	0.99	0.038	0.00	-0.01	0.03	0.0150	0.00	6.5%	-0.01	0.038	0.00	0.00	0.00	
71.75	1.5775	1.44	10.5%	0.97	0.079	0.01	-0.01	0.03	0.0175	0.01	5.9%	-0.03	0.079	0.01	0.00	0.00	
72.00	1.2625	1.20	7.5%	0.95	0.146	0.02	-0.01	0.03	0.0300	0.02	5.7%	-0.05	0.146	0.02	0.00	0.00	
72.25	1.0500	0.97	7.4%	0.90	0.239	0.03	-0.01	0.03	0.0525	0.04	5.6%	-0.10	0.239	0.03	0.00	0.00	
72.50	0.8250	0.75	6.7%	0.82	0.349	0.04	-0.02	0.02	0.0825	0.07	5.3%	-0.18	0.349	0.04	0.00	-0.01	
72.75	0.6350	0.56	6.4%	0.72	0.452	0.05	-0.02	0.02	0.1300	0.13	5.1%	-0.28	0.452	0.05	-0.01	-0.01	
73.00	0.4725	0.40	6.3%	0.60	0.522	0.06	-0.02	0.02	0.2300	0.21	5.3%	-0.40	0.522	0.06	-0.01	-0.01	
73.25	0.3500	0.26	6.5%	0.47	0.537	0.059	-0.01	0.01	0.3500	0.33	5.4%	-0.53	0.537	0.06	0.00	-0.02	
73.50	0.2475	0.17	6.5%	0.34	0.494	0.05	-0.01	0.01	0.4975	0.48	5.3%	-0.66	0.494	0.05	0.00	-0.02	
73.75	0.1750	0.10	6.6%	0.23	0.406	0.04	-0.01	0.01	0.6750	0.66	5.3%	-0.77	0.406	0.04	0.00	-0.02	
74.00	0.1250	0.05	6.9%	0.14	0.298	0.03	-0.01	0.00	0.8825	0.86	5.5%	-0.86	0.298	0.03	0.00	-0.03	
74.25	0.0850	0.03	7.0%	0.08	0.197	0.02	0.00	0.00	1.0850	1.09	4.8%	-0.92	0.197	0.02	0.01	-0.03	
74.50	0.0625	0.01	7.4%	0.04	0.116	0.01	0.00	0.00	1.3125	1.32	3.4%	-0.96	0.116	0.01	0.01	-0.03	
74.75	0.0450	0.01	7.6%	0.02	0.062	0.01	0.00	0.00	1.5300	1.57	0.0%	-0.98	0.062	0.01	0.01	-0.03	

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