

# FX DAILY DOSSIER



February 18, 2021

## KEY MARKET THEME

- Rupee may fall in the wake of rising oil prices.
- Higher US bond yield added pressure for emerging currencies to fall further.
- GBPUSD faded the momentum to reach the psychological level of 1.40 apparently.

FX Majors	CMP	1W	1M
EURUSD	1.2045	-0.73%	-1.01%
GBPUSD	1.3856	0.29%	0.91%
USDJPY	105.80	1.00%	2.22%

FX Cross INR	CMP	1W	1M
USDINR	72.76	0.08%	-0.26%
EURINR	87.63	-0.67%	-1.29%
GBPINR	100.83	0.36%	0.62%
JPYINR	68.78	-0.91%	-2.43%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	6.12%	-3.90	15.40
US	1.27%	10.25	18.09
Germany	-0.37%	7.72	17.09
UK	0.58%	9.05	28.48

Flows	DTD	WTD	MTD
FII (INR Crs)	1,008.20	5,072.24	22,852.85

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

## MACRO ANALYSIS

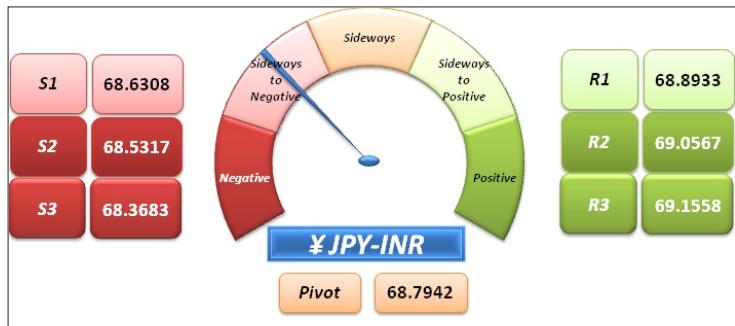
Indian Rupee may open on a flat note but gradually likely to weaken further as Brent surpassed \$65 for the first time before pandemic hits the oil market last year. There is a possibility that rupee may fall below 73.00 in coming days. Additionally higher US yield which hits 1.33% for the first time in 12 months may add further pressure in emerging currencies. For the day, again 72.70 can act as a interim support for USDINR pair.

Meanwhile US equities dropped for the second consecutive session on Wednesday as investors stepped back to assess the effect on equities from US Treasury yields hitting their highest levels in a year. Additionally expectations of large fiscal stimulus from the US federal government will continue to push US yield higher.

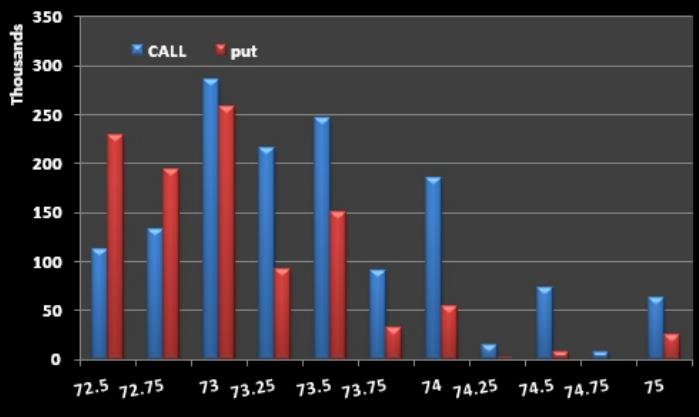
Sterling slips on US dollar strength falling as much as 0.3%. GBPUSD is trading within the 1.38 handle, moving away from the psychological 1.40 level targeted yesterday. The euro was one of the biggest G10 losers versus the greenback falling as much as 0.4% and hitting a low of 1.2031. Earlier in the trading session the Canadian dollar remained steady against a firmer dollar as oil prices rose. The loonier has since weakened against the USD with USDCAD trading about 0.3% higher.

## ECONOMIC DATA

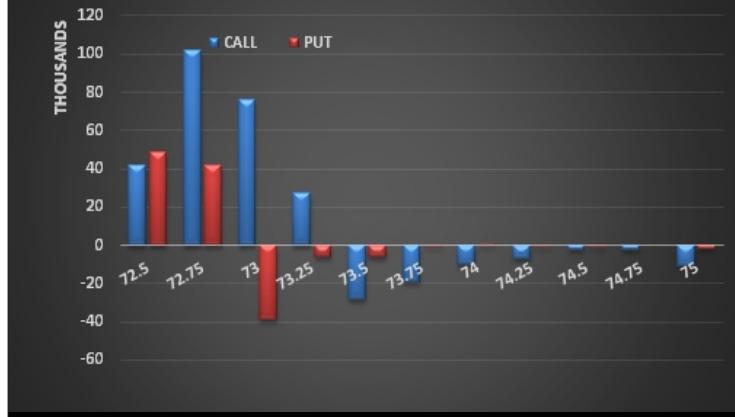
	IST	Previous	Median	SMC's Forecast
USD Philly Fed Manufacturing Index	19:00	26.5	20.3	20.3



### 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	0.0800	0.28	0.8%	0.55	0.653	0.04	-0.02	0.01	0.2875	0.21	8.0%	-0.45	0.653	0.04	-0.01	-0.01		
71.25	0.0400	0.16	2.6%	0.39	0.630	0.039	-0.02	0.01	0.5125	0.34	10.3%	-0.61	0.630	0.04	-0.01	-0.01		
71.50	0.0250	0.09	3.8%	0.24	0.514	0.03	-0.02	0.00	0.7350	0.52	12.1%	-0.76	0.514	0.03	0.00	-0.01		
71.75	0.0125	0.04	4.4%	0.13	0.355	0.02	-0.01	0.00	0.9725	0.72	14.1%	-0.87	0.355	0.02	0.00	-0.01		
72.00	0.0125	0.02	5.6%	0.06	0.208	0.01	-0.01	0.00	1.2200	0.95	16.1%	-0.94	0.208	0.01	0.01	-0.01		
72.25	0.0075	0.01	6.2%	0.03	0.104	0.01	0.00	0.00	1.4550	1.18	17.6%	-0.97	0.104	0.01	0.01	-0.01		
72.50	0.0100	0.00	7.6%	0.01	0.044	0.00	0.00	0.00	1.7350	1.43	20.5%	-0.99	0.044	0.00	0.01	-0.01		
72.75	0.0075	0.00	8.3%	0.00	0.016	0.00	0.00	0.00	0.0000	1.68	0.0%	-1.00	0.016	0.00	0.01	-0.01		



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