



# FX DAILY DOSSIER

January 11, 2021

## KEY MARKET THEME

- Dollar extends bounce as stimulus hopes stall short bets.
- Sharp gains in U.S. yields and hopes for more stimulus to boost.
- Oil prices fall on renewed coronavirus concerns as China cases mount.

FX Majors	CMP	1W	1M
EURUSD	1.2180	-0.62%	0.30%
GBPUSD	1.3511	-0.46%	1.35%
USDJPY	104.18	1.01%	0.12%

FX Cross INR	CMP	1W	1M
USDINR	73.44	0.49%	-0.28%
EURINR	89.43	-0.11%	0.00%
GBPINR	99.22	0.03%	1.07%
JPYINR	70.50	-0.51%	-0.40%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	5.89%	-8.40	-0.80
US	1.12%	20.14	22.31
Germany	-0.52%	2.85	2.59
UK	0.29%	3.18	-6.58

Flows	DTD	WTD	MTD
FIIs (INR Crs)	6,029.83	8,758.01	9,264.22

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

## MACRO ANALYSIS

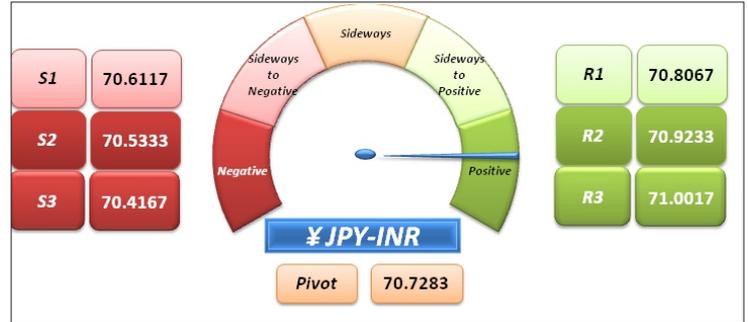
The dollar extended a rebound on Monday, as sharp gains in U.S. yields and hopes for more stimulus to boost the world's largest economy prompted some investors to temper bearish bets, pulling the currency further away from recent multi-year lows. President-elect Joe Biden, who takes office on Jan. 20 with Democrats able to control both houses of Congress, has promised "trillions" in extra pandemic-relief spending.

That has pushed the yield on the benchmark 10-year U.S. debt up more than 20 basis points to 1.1187% this year, which helped the dollar to a one-month high as better rates gave pause to some dollar shorts. Chinese inflation figures due at 0130 GMT will be watched for insight into China's economic recovery. Chinese trade figures are due later in the week along with U.S. retail sales, sentiment and production data.

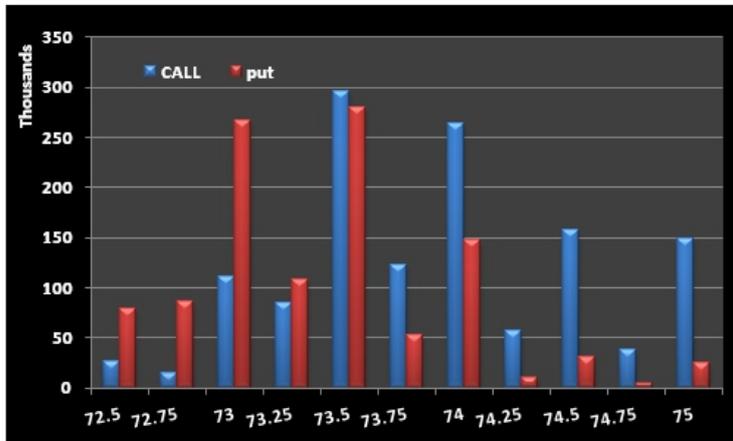
Shares took a breather on Monday while Treasury yields were at 10-month highs as "trillions" in new U.S. fiscal stimulus plans were set to be unveiled this week, stoking a global reflation trade. Investors were keeping a wary eye on U.S. politics as pressure grew to impeach President Donald Trump, though signs were an actual trial could be some time away.

## ECONOMIC DATA

	IST	Previous	Median	SMC's Forecast
USD FOMC Member Bostic Speaks	22:30			



USDINR Options Activity (Near Month)



USDINR OI Change (FTD)



USDINR Option Greek Data (Near Month)

27-Jan-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
73.44																
71.75	1.4625	1.88	0.0%	0.98	0.052	0.01	-0.01	0.03	0.0075	0.01	6.1%	-0.02	0.052	0.01	0.00	0.00
72.00	1.3975	1.63	0.0%	0.96	0.088	0.01	-0.01	0.03	0.0125	0.01	5.9%	-0.04	0.088	0.01	0.00	0.00
72.25	1.1450	1.40	0.0%	0.93	0.139	0.02	-0.01	0.03	0.0225	0.03	5.8%	-0.07	0.139	0.02	0.00	0.00
72.50	0.9350	1.17	0.0%	0.89	0.202	0.03	-0.02	0.03	0.0425	0.05	5.8%	-0.11	0.202	0.03	0.00	0.00
72.75	0.7100	0.96	0.0%	0.83	0.273	0.04	-0.02	0.03	0.0675	0.08	5.6%	-0.17	0.273	0.04	-0.01	-0.01
73.00	0.5275	0.76	0.0%	0.75	0.342	0.05	-0.02	0.02	0.1325	0.14	5.9%	-0.25	0.342	0.05	-0.01	-0.01
73.25	0.3750	0.58	1.1%	0.66	0.397	0.06	-0.02	0.02	0.2250	0.21	6.3%	-0.34	0.397	0.06	-0.01	-0.01
73.50	0.2500	0.43	2.9%	0.56	0.428	0.06	-0.02	0.02	0.3525	0.31	6.7%	-0.44	0.428	0.06	-0.01	-0.01
73.75	0.1625	0.31	3.6%	0.45	0.429	0.061	-0.02	0.01	0.5150	0.43	7.3%	-0.55	0.429	0.06	0.00	-0.02
74.00	0.1075	0.21	4.1%	0.35	0.400	0.06	-0.01	0.01	0.7100	0.59	8.2%	-0.65	0.400	0.06	0.00	-0.02
74.25	0.0725	0.14	4.6%	0.25	0.346	0.05	-0.01	0.01	0.9225	0.76	9.0%	-0.75	0.346	0.05	0.00	-0.02
74.50	0.0500	0.09	5.0%	0.18	0.280	0.04	-0.01	0.01	1.1550	0.96	10.1%	-0.82	0.280	0.04	0.00	-0.03
74.75	0.0350	0.05	5.4%	0.11	0.210	0.03	-0.01	0.00	1.3875	1.17	11.1%	-0.89	0.210	0.03	0.01	-0.03
75.00	0.0300	0.03	6.0%	0.07	0.148	0.02	0.00	0.00	1.6250	1.40	12.1%	-0.93	0.148	0.02	0.01	-0.03
75.25	0.0225	0.02	6.5%	0.04	0.097	0.01	0.00	0.00	1.8175	1.64	12.0%	-0.96	0.097	0.01	0.01	-0.03

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