

FX DAILY DOSSIER



October 15, 2020

KEY MARKET THEME

- Rupee likely to open lower following the overnight dollar trend.
- Risk-off sentiment in equities continue after US Treasury Secretary faded the hope of fiscal stimulus before US election.
- Big day for pound as Brexit headlines in EU Summit later in the day will keep the GBP pairs highly volatile.

FX Majors	CMP	1W	1M
EURUSD	1.1752	-0.08%	-0.83%
GBPUSD	1.3018	0.61%	0.34%
USDJPY	105.24	-0.74%	0.48%

FX Cross INR	CMP	1W	1M
USDINR	73.30	0.01%	-0.39%
EURINR	86.14	-0.07%	-1.20%
GBPINR	95.43	0.63%	-0.05%
JPYINR	69.67	0.77%	-0.84%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	5.90%	-9.50	-14.10
US	0.72%	2.34	5.08
Germany	-0.58%	-4.54	-10.14
UK	0.22%	-2.60	3.82

Flows	DTD	WTD	MTD
FII (INR Crs)	821.86	4,818.57	7,272.68

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

MACRO ANALYSIS

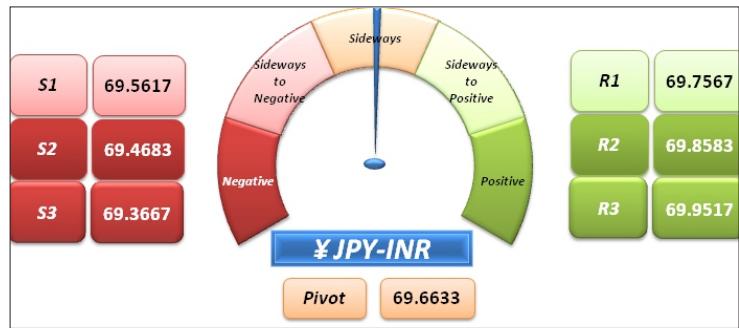
Indian Rupee likely to open on a flat to negative note amid global risk-off sentiment. Meanwhile RBI is expected to conduct OMOs to the tune Rs 20,000 crores that may help benchmark yield to remain lower and may help rupee to gain further. Albeit higher inflation is downplaying the positive momentum in rupee. However expectations of Reliance Retail flows may cap the downside in rupee for the day. We are expecting a range of 73.18 - 73.46 for the day.

Asian equites trading red following the overnight trend in US equities which ended lower after US Treasury secretary Steven Mnuchin cast doubt on securing a fiscal stimulus deal before the presidential election next month. The S&P 500 dropped 0.7 per cent, erasing earlier gains, while the tech-heavy Nasdaq Composite fell 0.8 per cent. Mr Mnuchin said that despite progress in talks with Democrats the two sides remained "far apart" on certain elements of a deal as mentioned in FT.

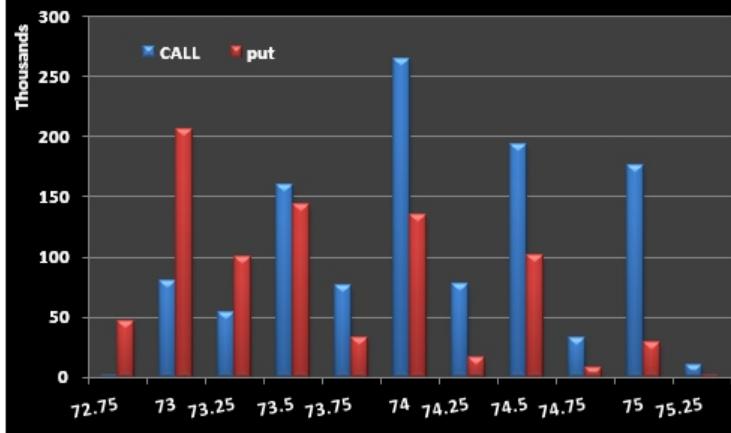
A big day for pound as EU Summit kicks-in later in the day. Earlier pound has recovered ground lost against a host of major currencies earlier in the week on fresh news headlines confirming the UK won't walk away from trade negotiations as their self-imposed deadline races into view. The government confirmed on Wednesday they would stay at the negotiating table, relieving concerns that talks would break down due to a lack of progress. We are expecting wide swings based on GBP options volatility positioning.

ECONOMIC DATA

	IST	Previous	Median	SMC's Forecast
EUR EU Economic Summit	All Day	-	-	-



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		
73.42	1.5775	1.83	0.0%	0.94	0.103	0.02	-0.02	0.02	0.0050	0.03	6.4%	-0.06	0.103	0.02	-0.01	0.00		
71.75	1.3925	1.60	0.0%	0.91	0.140	0.02	-0.02	0.02	0.0100	0.05	6.3%	-0.09	0.140	0.02	-0.01	0.00		
72.00	1.2700	1.38	0.0%	0.87	0.181	0.03	-0.02	0.02	0.0175	0.08	6.1%	-0.13	0.181	0.03	-0.01	0.00		
72.25	0.9275	1.17	0.0%	0.81	0.224	0.04	-0.02	0.02	0.0300	0.12	5.8%	-0.19	0.224	0.04	-0.01	0.00		
72.50	0.6775	0.98	0.0%	0.75	0.264	0.04	-0.02	0.02	0.0550	0.18	5.7%	-0.25	0.264	0.04	-0.01	-0.01		
73.00	0.5050	0.80	0.0%	0.68	0.298	0.05	-0.03	0.02	0.1150	0.25	6.0%	-0.32	0.298	0.05	-0.01	-0.01		
73.25	0.3525	0.64	3.0%	0.60	0.322	0.05	-0.03	0.01	0.2075	0.34	6.4%	-0.40	0.322	0.05	-0.01	-0.01		
73.50	0.2375	0.50	4.0%	0.52	0.333	0.05	-0.03	0.01	0.3475	0.45	7.0%	-0.48	0.333	0.05	-0.01	-0.01		
73.75	0.1550	0.39	4.5%	0.44	0.329	0.052	-0.02	0.01	0.5125	0.58	7.6%	-0.56	0.329	0.05	-0.01	-0.01		
74.00	0.1050	0.29	5.1%	0.36	0.312	0.05	-0.02	0.01	0.7025	0.74	8.3%	-0.64	0.312	0.05	-0.01	-0.02		
74.25	0.0700	0.21	5.6%	0.28	0.283	0.05	-0.02	0.01	0.9250	0.91	9.4%	-0.72	0.283	0.05	-0.01	-0.02		
74.50	0.0475	0.15	6.0%	0.22	0.246	0.04	-0.02	0.01	1.1550	1.09	10.5%	-0.78	0.246	0.04	-0.01	-0.02		
74.75	0.0350	0.10	6.5%	0.16	0.206	0.03	-0.01	0.00	1.4400	1.30	12.7%	-0.84	0.206	0.03	0.00	-0.02		
75.00	0.0275	0.07	7.1%	0.12	0.165	0.03	-0.01	0.00	1.5600	1.51	10.6%	-0.88	0.165	0.03	0.00	-0.02		
75.25	0.0200	0.04	7.5%	0.08	0.127	0.02	-0.01	0.00	1.8850	1.74	14.0%	-0.92	0.127	0.02	0.00	-0.02		



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