



November 11, 2020

FX DAILY DOSSIER

KEY MARKET THEME

- Dollar bounce put on hold as corona virus vaccine euphoria fades.
- Global stocks up as vaccine shields against second-wave worries.
- India's October CPI likely above 7% again, industrial output falls.

| FX Majors | CMP | 1W | 1M |
|-----------|--------|-------|--------|
| EURUSD | 1.1828 | 0.89% | 0.67% |
| GBPUSD | 1.3270 | 2.16% | 2.00% |
| USDJPY | 104.94 | 0.42% | -0.51% |

| FX Cross INR | CMP | 1W | 1M |
|--------------|-------|--------|-------|
| USDINR | 74.17 | -0.02% | 1.18% |
| EURINR | 87.73 | 0.86% | 1.88% |
| GBPINR | 98.43 | 2.16% | 3.20% |
| JPYINR | 70.57 | -0.57% | 1.23% |

| Global Yields | 10Y-Yield | 1W(bps) | 1M (bps) |
|---------------|-----------|---------|----------|
| India | 5.92% | 2.90 | -2.20 |
| US | 0.98% | 10.05 | 20.23 |
| Germany | -0.51% | 11.69 | 1.49 |
| UK | 0.38% | 11.19 | 9.14 |

| Flows | DTD | WTD | MTD |
|-----------------|----------|-----------|-----------|
| FII's (INR Crs) | 5,627.32 | 17,207.19 | 23,575.12 |

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

MACRO ANALYSIS

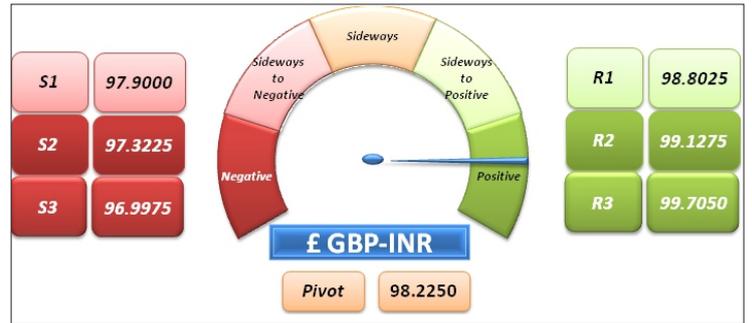
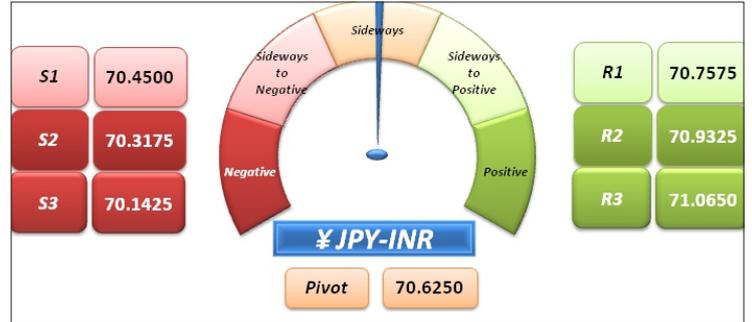
The dollar's gains were put on hold on Wednesday as optimism about a corona virus vaccine was offset by worries about how the drug will be delivered and by a surge of new infections in the United States. Initial optimism about corona virus vaccine testing pushed the dollar up against the safe-harbour yen and the Swiss franc, but this momentum is starting to fade because there are still several obstacles to clear before a vaccine can be distributed.

The British pound close to near a two-month high due to growing optimism that Britain and the European Union will agree a long-sought-after trade deal.

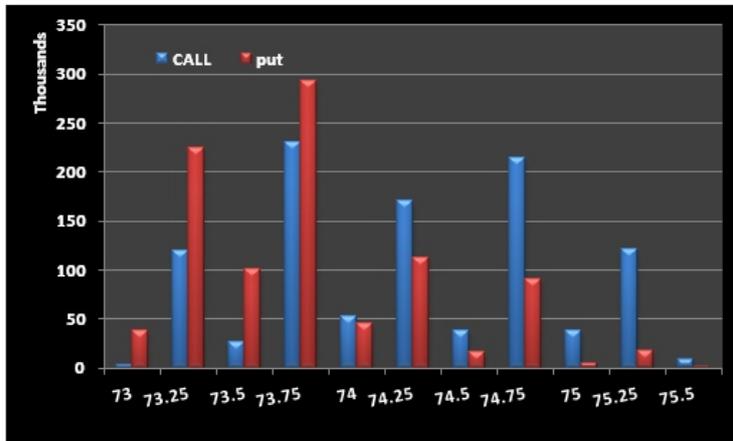
However, the reaction across financial markets has become more tempered because there are several logistical hurdles to making the drug available, including that it has to be shipped at extremely cold temperatures. Several U.S. states on Tuesday imposed restrictions to curb the spread of the corona virus as hospitalizations soared, highlighting the difficulty in containing the virus as winter in the Northern Hemisphere approaches.

ECONOMIC DATA

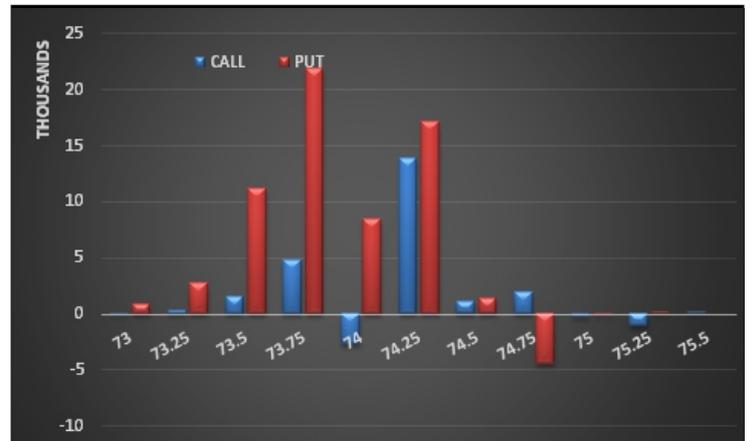
| | IST | Previous | Median | SMC's Forecast |
|------------------------------------|-------|----------|---------|----------------|
| JPY Prelim Machine Tool Orders y/y | 11:30 | -15.00% | -15.00% | -15.00% |



USDINR Options Activity (Near Month)



USDINR OI Change (FTD)



USDINR Option Greek Data (Near Month)

| 25-Nov-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 |
| 74.14 | | | | | | | | | | | | | | | | |
| 72.50 | 1.6625 | 1.84 | 0.0% | 0.92 | 0.115 | 0.02 | -0.02 | 0.03 | 0.0200 | 0.05 | 7.4% | -0.08 | 0.115 | 0.02 | -0.01 | 0.00 |
| 72.75 | 1.3700 | 1.62 | 0.0% | 0.89 | 0.148 | 0.03 | -0.02 | 0.02 | 0.0275 | 0.07 | 7.0% | -0.11 | 0.148 | 0.03 | -0.01 | 0.00 |
| 73.00 | 1.1375 | 1.40 | 0.0% | 0.84 | 0.184 | 0.03 | -0.02 | 0.02 | 0.0425 | 0.11 | 6.8% | -0.16 | 0.184 | 0.03 | -0.01 | 0.00 |
| 73.25 | 0.9225 | 1.20 | 0.0% | 0.79 | 0.219 | 0.04 | -0.02 | 0.02 | 0.0750 | 0.15 | 6.9% | -0.21 | 0.219 | 0.04 | -0.01 | -0.01 |
| 73.50 | 0.7275 | 1.01 | 0.0% | 0.73 | 0.252 | 0.05 | -0.02 | 0.02 | 0.1200 | 0.22 | 6.9% | -0.27 | 0.252 | 0.05 | -0.01 | -0.01 |
| 73.75 | 0.5525 | 0.84 | 2.3% | 0.67 | 0.279 | 0.05 | -0.02 | 0.02 | 0.1975 | 0.29 | 7.2% | -0.33 | 0.279 | 0.05 | -0.01 | -0.01 |
| 74.00 | 0.4000 | 0.68 | 3.8% | 0.59 | 0.297 | 0.06 | -0.02 | 0.02 | 0.3000 | 0.39 | 7.5% | -0.41 | 0.297 | 0.06 | -0.01 | -0.01 |
| 74.25 | 0.2800 | 0.54 | 4.4% | 0.52 | 0.305 | 0.06 | -0.02 | 0.01 | 0.4250 | 0.50 | 7.7% | -0.48 | 0.305 | 0.06 | -0.01 | -0.01 |
| 74.50 | 0.1875 | 0.43 | 4.8% | 0.44 | 0.302 | 0.057 | -0.02 | 0.01 | 0.5900 | 0.63 | 8.3% | -0.56 | 0.302 | 0.06 | -0.01 | -0.02 |
| 74.75 | 0.1250 | 0.33 | 5.1% | 0.37 | 0.288 | 0.05 | -0.02 | 0.01 | 0.7775 | 0.78 | 9.0% | -0.63 | 0.288 | 0.05 | -0.01 | -0.02 |
| 75.00 | 0.0825 | 0.25 | 5.5% | 0.30 | 0.266 | 0.05 | -0.02 | 0.01 | 0.9800 | 0.95 | 9.6% | -0.70 | 0.266 | 0.05 | -0.01 | -0.02 |
| 75.25 | 0.0575 | 0.18 | 5.9% | 0.24 | 0.236 | 0.04 | -0.02 | 0.01 | 1.2925 | 1.13 | 12.3% | -0.76 | 0.236 | 0.04 | -0.01 | -0.02 |
| 75.50 | 0.0425 | 0.13 | 6.3% | 0.18 | 0.203 | 0.04 | -0.01 | 0.01 | 1.4750 | 1.33 | 12.3% | -0.82 | 0.203 | 0.04 | 0.00 | -0.02 |
| 75.75 | 0.0250 | 0.09 | 6.4% | 0.14 | 0.168 | 0.03 | -0.01 | 0.00 | 1.6700 | 1.54 | 12.4% | -0.86 | 0.168 | 0.03 | 0.00 | -0.03 |
| 76.00 | 0.0150 | 0.06 | 6.6% | 0.10 | 0.135 | 0.03 | -0.01 | 0.00 | 1.8000 | 1.76 | 10.3% | -0.90 | 0.135 | 0.03 | 0.00 | -0.03 |

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