

# FX DAILY DOSSIER



October 16, 2020

## KEY MARKET THEME

- Global risk-off sentiment weigh Indian rupee.
- Euro remains weak after Germany and France imposed new covid restrictions.
- Sterling remains weak despite Brexit talks extended for few weeks.

FX Majors	CMP	1W	1M
EURUSD	1.1713	-0.99%	-1.07%
GBPUSD	1.2902	-1.11%	-0.13%
USDJPY	105.28	-0.32%	0.67%

FX Cross INR	CMP	1W	1M
USDINR	73.40	0.55%	-0.19%
EURINR	85.96	-0.48%	-1.28%
GBPINR	94.67	-0.60%	-0.35%
JPYINR	69.71	0.86%	-0.87%

Global Yields	10Y-Yield	1W(bps)	1M (bps)
India	5.90%	-9.40	-14.00
US	0.73%	3.43	6.17
Germany	-0.58%	-4.54	-10.14
UK	0.22%	-2.60	3.82

Flows	DTD	WTD	MTD
FII's (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

The dollar was headed for its best week of the month on Friday, as surging corona virus cases and stalled progress toward U.S. stimulus had nervous investors seeking safe assets.

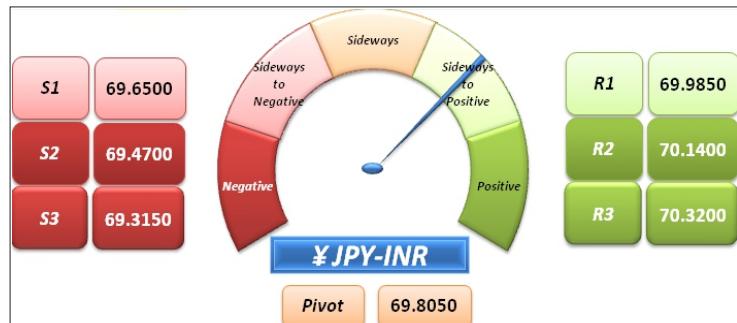
As fresh curbs to combat COVID-19 were introduced in Europe and Britain, the world's reserve currency surged to a two-week high of 93.910 against a basket of currencies. It held just below that peak in Asian morning trade. London enters a tighter COVID-19 lockdown from midnight, which with a curfew in Paris leaves two of Europe's largest cities living under state-imposed restrictions.

The U.S. Midwest is also battling record surges in new cases as temperatures get colder, prompting authorities to set up a field hospital in the suburbs of Milwaukee, Wisconsin, in case of an overflow of patients from hospital wards. The lockdown worries driving the selloff come as hopes for U.S. stimulus before the Nov. 3 election fade and as data shows cracks emerging in the recovery. Weekly U.S. jobless claims rose by more than expected and hit a two-month high last week, increasing concerns the pandemic is causing lasting damage to the labour market. Some 25 million Americans are on jobless benefits.

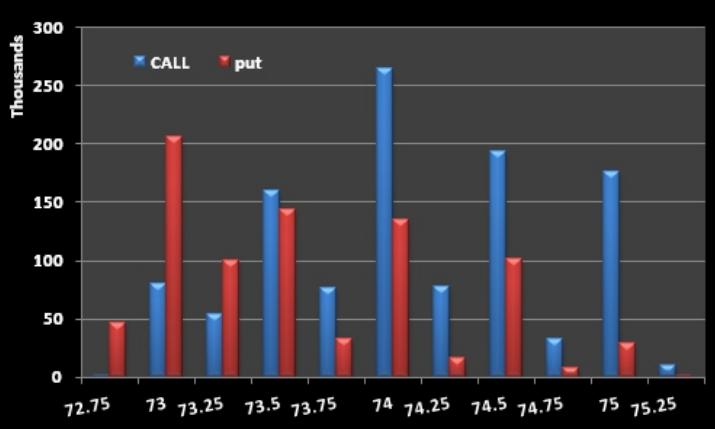
Sterling was also heavily sold overnight, dropping more than 0.8% to \$1.2891 on concerns about the obstacles keeping the European Union and Britain from reaching a Brexit trade deal. Sterling was last at \$1.2902.

## ECONOMIC DATA

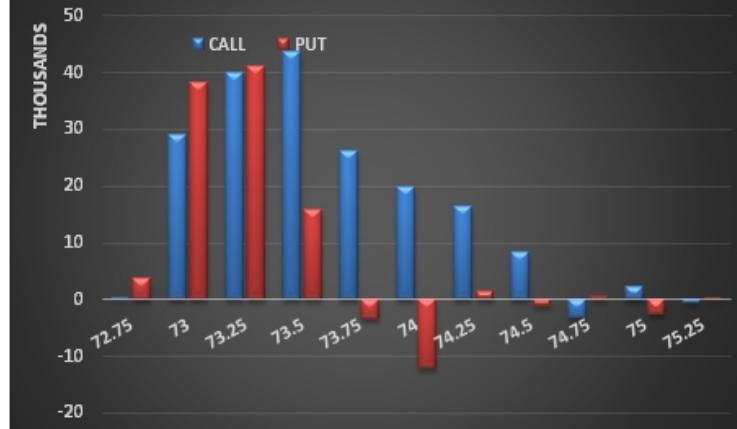
	IST	Previous	Median	SMC's Forecast
USD Core Retail Sales m/m	18:00	0.7%	0.4%	0.4%



### 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		
72.25	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		
72.50	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		
72.75	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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