

Subject: Jeffrey - Rupee Appreciation - Nav
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Jeffrey

After pricing lots of possibilities, are two ways i like best to play usdinr lower

1) buy vanilla European style USDINR puts

Ref spot: 58.67

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This table has 9 offers in %notional: 1m 3m and 6m expiries for spot, spot-1%, spot-2%

Of these I like 6month ATMspot USDINR European style put offered at 1.19%. The roll in the forwards offsets some of theta which is why the 3mth ATMspot put costs a similar (1.07%) amount

2) Buying vanilla European style out-of-the-money USDINR puts, funded by selling OTM calls on USDINR

6month expiry

spot ref 58.67

Buy USDINR put strike 58.08 (ATMspot -1%)

Sell USDINR call strike 64.18 (ATMspot +9.4%)

Net upfront premia zero

I see from your last msg you want 9months. I'll price those and get back to you.

Nav

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