USDINR - 6 Month History

USDINR Curncy (USD-INR X-RATE) Daily 20NOV2013-20MAY2014   Copyright© 2014 Bloomberg Finance L.P.
20-May-2014 17:56:46

USDINR 12 Month History

USDINR Curncy (USD-INR X-RATE) Daily 20MAY2013-20MAY2014   Copyright© 2014 Bloomberg Finance L.P.
20-May-2014 17:57:03

Trade 1: 9month expiry vanilla USDINR puts
Ref spot: USDINR 58.6

Maturity	9m
Fwd	61.56

Strike		Price
% OTMS	Strike	(% notional)
0	58.60	1.31
1	58.01	0.92
2	57.42	0.71

Scenario Analysis for Trade 1

Table shows value of option (as % of notional) on movement in spot, decaying with time

Spot % move	Spot level	9m	6m	3m	1m	At exp
6	62.12	0.21	0.15	0.05	0.00	0.00
4	60.94	0.35	0.28	0.14	0.02	0.00
2	59.77	0.61	0.56	0.39	0.13	0.00
0	58.60	1.31	1.06	0.96	0.65	0.00
-2	57.43	1.73	1.87	1.97	1.90	2.00
-4	56.26	2.71	3.04	3.42	3.72	4.00
-6	55.08	4.00	4.54	5.25	5.85	6.00

Trade 2: Buy a 9month 1% OTM Spot USDINR put and sell a 9m 15% OTM Spot USDINR call for net zero premia

Put strike: 58.08, call strike: 67.58
Ref spot: USDINR 58.6

Scenario Analysis for Trade 2

Table shows net value of a long put and short call option (as % of notional) on movement in spot, decaying with time

Spot % move	Spot level	9m	6m	3m	1m	At exp
6	62.12	-1.91	-0.98	-0.23	0.00	0.00
4	60.94	-1.37	-0.59	0.09	0.00	0.00
2	59.77	-0.83	-0.19	0.16	0.06	0.00
0	58.60	0.00	0.35	0.61	0.34	0.00
-2	57.43	0.56	1.14	1.45	1.26	2.00
-4	56.26	1.58	2.24	2.74	2.89	4.00
-6	55.08	2.89	3.69	4.44	4.94	6.00

Nav

can you send me a chart of where this has been over the past 6 months? thaks

On Tue, May 20, 2014 at 9:49 AM, Nav Gupta < ▮▮▮▮▮▮▮▮▮▮ > wrote:
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

Strike		Maturity		
% OTMS	Strike	1m	3m	6m
0	58.67	0.75	1.07	1.19
1	58.08	0.40	0.72	0.89
2	57.50	0.20	0.48	0.67
Fwd		58.98	59.57	60.61

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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Passion to Perform

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