

## KEY HEADLINES:

- Traders were hoping for some kind of global stimulus earlier today to help stem the global slowdown currently from the effects of the coronavirus. Instead, all they got was a statement that said fiscal stimulus was ready if needed. However, in a shocking twist of events, the US Federal Reserve cut rates 50bps in an emergency move to help promote growth in the economy. In Powell's press conference he said fundamentals remain strong, however the coronavirus and measures taken to contain it will take a toll on the economy. As such, the Fed is doing their part in support of the economy.
- February PMI data signalled the first reduction in business activity across China's service sector on record due to restrictions implemented to contain the recent coronavirus outbreak. Firms across all sectors reported on the damaging effect that the virus was having on the economy via company closures and travel restrictions, with total new orders also falling at a record pace. Restrictions around travel also impacted firms' ability to source workers, leading a renewed fall in staff numbers. Consequently, backlogs of work rose at a substantial pace.
- With market fear still at elevated levels, traders and investors around the world are looking out for a coordinated response from the authorities. Central banks assisting with looser monetary policy and perhaps action from governments through fiscal support. There has been an enormous re-pricing of Federal Reserve monetary policy over the past couple of weeks. The CME Group Fed funds futures are now pricing a full -50bps cut from the Fed in its April meeting. A "bull steepener" on the yield curve has resulted as shorter-dated yields price for a dramatic rate cut.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
Final Services PMI	EUR	52.8	52.8	MEDIUM
Final Services PMI	GBP	53.2	53.3	MEDIUM
ADP Non-Farm Employment Change	USD	170K	291K	HIGH
ISM Non-Manufacturing PMI	USD	54.9	55.5	HIGH
Crude Oil Inventories	USD	2.8M	0.5M	HIGH

### Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	73.50	73.35	73.20	73.70	73.85	BULLISH
EURINR FUTURE	81.77	81.55	81.35	82.00	82.25	BULLISH
GBPINR FUTURE	93.97	93.80	93.60	94.25	94.50	BULLISH
JPYINR FUTURE	68.14	68.00	67.85	68.45	68.65	BULLISH

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

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