

KEY HEADLINES:

- On the same day that the Nasdaq marked a new bull market, the U.S. economy was officially declared to be in a recession. The two milestones on Monday illustrate how an 11-week surge in stocks has occurred despite widespread economic devastation fueled by the coronavirus pandemic. Driven higher in recent months by surging technology and communications stocks, the Nasdaq .IXIC closed up 0.8% on Monday at 9,924.75 points, exceeding its previous record high on Feb. 19, just before fears of the coronavirus ended its 11-year bull market.
- It has been a complete bloodbath for the US Dollar and market bears over the last three weeks largely due to evaporating demand for safe-haven assets. Heavy selling pressure experienced by the broader US Dollar has hammered the DXY Index to twelve-week lows with USD price action hemorrhaging as GBP/USD & AUD/USD soar, USD/CAD sinks. Sharp advances by spot EUR/USD also contributed significant technical damage to the US Dollar basket. Though US Dollar weakness underpins the sustained wave of upbeat market sentiment, appetite for risk grows increasingly bloated.
- The Federal Reserve will probably keep interest rates at zero when it meets this week. But its own ranks are increasingly clamoring for an unprecedented move: sending rates into negative territory. In theory, negative interest rates would motivate more people and businesses to borrow money, which should stimulate the economy. Critics argue that negative rates would penalize people trying to save money, as well as the big banks by forcing them to make unprofitable loans.

Economic Indicators to be released.

| Indicator | Currency | Forecast | Previous | Impact |
|-----------------------------|----------|----------|----------|--------|
| German Trade Balance | EUR | 11.9B | 12.8B | MEDIUM |
| Final Employment change q/q | EUR | -0.2% | -0.2% | MEDIUM |
| Revised GDP q/q | EUR | -3.8% | -3.8% | MEDIUM |
| JOLTs Job Openings | USD | | 6.19M | MEDIUM |
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Support Resistance Levels – Currency Future:

| Currency | LTP | S1 | S2 | R1 | R2 | Trend |
|------------------|-------|-------|-------|-------|-------|----------|
| USDINR FUTURE | 75.81 | 75.60 | 75.25 | 76.00 | 76.35 | Sideways |
| EURINR FUTURE | 85.88 | 85.60 | 85.00 | 86.20 | 86.70 | BULLISH |
| GBPINR FUTURE | 95.72 | 95.40 | 94.80 | 96.10 | 96.80 | BULLISH |
| JPYINR FUTURE | 69.35 | 69.15 | 68.80 | 69.55 | 69.90 | Sideways |

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Disclosure:

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