

## KEY HEADLINES:

- The harrowing 'risk-off' scenes recently witnessed abated as the market appears to be welcoming news that the US is preparing a rich stimulus package to support the economic fallout from the coronavirus outbreak. Further coordinated intervention by G7 governments has too contributed to add fuel to the risk rally. With the S&P 500 rising circa 5% and US bond yields sharply higher too, the USD was the clear winner, with aggregated gains when crosschecking its performance vs G8 FX, unlike anything seen since 2016.
- President Trump and his advisers are considering using the Federal Emergency Management Agency as a vehicle to deliver funds to stimulate the economy against mounting damage from the coronavirus, a move that could allow the administration to begin bolstering growth without waiting for Congress. The idea is one of many options under consideration by the administration to help stimulate the economy, which is facing a slowdown from a virus that is quarantining workers and consumers, scuttling vacations, closing factories and causing other disruptions.
- The Federal Reserve has already slashed interest rates by a half-point to counteract a possible coronavirus-induced economic slowdown. The market is pricing in a 100% chance of another rate cut at the Fed's next meeting on March 18, with a majority of investors expecting a three-quarters of a percentage point cut to a range of just 0.25% to 0.5%. But what if the Fed has to simultaneously fight concerns about a recession and rising inflation pressures? The likelihood of inflation is low given that crude oil prices have plummeted along with the broader stock market and long-term bond rates.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
GDP m/m	GBP	0.2%	0.3%	MEDIUM
Manufacturing Production m/m	GBP	0.2%	0.3%	MEDIUM
Annual Budget Release	GBP			HIGH
CPI m/m	USD	0.00%	0.1%	HIGH
Core CPI m/m	USD	0.2%	0.2%	HIGH
Crude oil Inventories	USD	2.0M	0.8M	MEDIUM

### Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	74.32	74.15	74.00	74.50	74.65	BEARISH
EURINR FUTURE	84.88	84.60	84.30	85.00	85.15	BEARISH
GBPINR FUTURE	97.21	96.90	96.50	97.40	97.60	BEARISH
JPYINR FUTURE	72.69	72.40	72.20	72.85	73.00	BEARISH

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

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*SEBI Regn. No.: INZ000212137*

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