

KEY HEADLINES:

- It was going to be the big rescue day in Europe. All eyes were on the ECB and expectations had increased that something coordinated with the EU would be announced. ECB went alone and the market is shocked. ECB boosted QE, added liquidity tools, allowing banks to breach capital pillars and offered new long-term loans. No rate cut but that was meaningless anyway, but Lagarde said that rates could go lower if deemed necessary. But the main message on the press conference from the ECB President was that an ambitious and coordinated fiscal response was needed. Here lies the policy mistake from Europe.
- The Federal Reserve stepped into financial markets Thursday for the second day in a row and the third time this week, this time dramatically ramping up asset purchases amid the turmoil created by the coronavirus. "These changes are being made to address highly unusual disruptions in Treasury financing markets associated with the coronavirus outbreak," the New York Fed said in an early afternoon announcement amid a washout on Wall Street that was heading toward the worst day since 1987. Stocks were off their lows following the announcement though some of the gains were pared as the market digested the moves.
- Gold has been moving lower over the last few sessions, even as stocks have been moving into bear territory. One would naturally think that the opposite would occur, as gold is often considered a hedge to a falling stock market. However, at some point gold and other hedging currencies, start to fall as well. Stocks are down 20% from the highs. Margin calls are being called in and people need to raise cash. One-way traders will begin to raise cash is to sell gold. On today's cash market open at 8:20 EST, gold sold off from roughly 1640 down to 1605. It is down over 3% near 1589 as of the time of this writing.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German Final CPI m/m	EUR	0.4%	0.4%	MEDIUM
French Final CPI m/m	EUR	0.0%	0.0%	MEDIUM
CB Leading Index m/m	GBP		0.0%	MEDIUM
Prelim UoM Consumer Sentiment	USD	95.0	101.0	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	74.44	74.25	74.10	74.65	74.80	Sideways
EURINR FUTURE	83.57	83.40	83.20	83.80	84.00	Sideways
GBPINR FUTURE	94.83	94.50	94.25	95.10	95.35	Sideways
JPYINR FUTURE	71.67	71.40	71.15	71.85	72.00	Sideways

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