

KEY HEADLINES:

- The stronger dollar era may be on borrowed time. Stephen Roach, one of the world's leading authorities on Asia, is worried a changing global landscape paired with a massive U.S. budget deficit will spark a dollar crash. "The U.S. economy has been afflicted with some significant macro imbalances for a long time, namely a very low domestic savings rate and a chronic current account deficit," the former Morgan Stanley Asia chairman told CNBC's "Trading Nation" on Monday. "The dollar is going to fall very, very sharply." His forecast calls for a 35% drop against other major currencies.
- At the Monetary Policy Meeting (MPM) held today, the Policy Board of the Bank of Japan decided upon the following guidelines for market operations and asset purchases. 1. Yield Curve Control The Bank decided, by an 8-1 majority vote, to set the following guideline for market operations for the intermeeting period. The short-term policy interest rate: The Bank will apply a negative interest rate of minus 0.1 percent to the Policy-Rate Balances in current accounts held by financial institutions at the bank.
- Disappointing China macro data, a "very serious" second wave virus breakout in Beijing (and Guangzhou), and increasing concerns about the rise in US cases across several states. all led to some serious selling overnight with Small Caps down 5% and Dow futures down over 1000 points from Friday's cash close. But then Europe opened, US opened, Florida's COVID case rose very slightly less than the 7 day average, and The Fed issued a press release saying exactly nothing new and algos went wild with FOMO. Dow futures soared over 1350 points off the lows.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German Final CPI m/m	EUR	-0.1%	-0.1%	MEDIUM
German WPI m/m	EUR	-1.0%	-1.4%	MEDIUM
Claimant Count Change	GBP	405.3K	856.5K	HIGH
Core Retail Sales m/m	USD	5.5%	-17.2%	HIGH
Retail Sales m/m	USD	7.95	-16.4%	HIGH

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	76.17	76.00	75.65	76.30	76.65	Sideways
EURINR FUTURE	85.67	85.45	85.00	85.85	86.40	BULLISH
GBPINR FUTURE	95.33	95.00	94.50	95.60	96.10	BULLISH
JPYINR FUTURE	70.96	70.80	70.45	71.10	71.45	Sideways

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