

KEY HEADLINES:

- Risk is getting knocked down in Asia, as Beijing announces tightening of lockdown measures, in response to containing the resurgence of the coronavirus pandemic in the city. The Chinese capital has ordered no residents to leave the city. Global Times reports, "after Beijing raised its emergency response to Level II, all residential compounds now undergo seal-off management to prevent further community COVID19 spread."
- After all said and done, we end with the validation of a fresh bullish phase in the S&P 500 through the 4h time scale, but interestingly, this must be reconciled with the 3 risk-off associated currencies (JPY, CHF, USD) higher for the day. On the other side of the spectrum, the AUD, the EUR and the GBP were the underperformers, in what I reiterate to have been a day with rather strange dynamics in the forex space. In this new COVID-19 era, it represents a huge anomaly to see equities going one way (higher) yet a pair s risk sensitive like AUD/USD losing ground.
- Federal Reserve Chairman Jerome Powell warned Tuesday that the U.S. economy faces a deep downturn with "significant uncertainty" about the timing and strength of a recovery. He cautioned that the longer the recession lasts, the worse the damage that would be inflicted on the job market and businesses. In testimony to Congress, Powell stressed that the Fed is committed to using all its financial tools to cushion the economic damage from the coronavirus. But he said that until the public is confident the disease has been contained, "a full recovery is unlikely."

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
CPI y/y	GBP	0.5%	0.8%	MEDIUM
Core CPI y/y	GBP	1.3%	1.4%	MEDIUM
Final CPI y/y	EUR	0.1%	0.1%	MEDIUM
Final Core CPI y/y	EUR	0.9%	0.9%	MEDIUM
Building Permits	USD	1.23M	1.07M	MEDIUM
Housing Starts	USD	1.10M	0.89M	MEDIUM
Crude Oil Inventories	USD	0.0M	5.7M	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	76.17	76.00	75.65	76.30	76.65	BULLISH
EURINR FUTURE	86.17	85.90	85.30	86.50	87.00	Sideways
GBPINR FUTURE	96.30	96.00	95.40	96.60	97.20	Sideways
JPYINR FUTURE	70.98	70.80	70.45	71.10	71.45	BULLISH

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

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