

## KEY HEADLINES:

- The U.S. Senate Banking Subcommittee on Economic Policy is set to hold a hearing tomorrow at 9:30am called 'US-China: Winning the Economic Competition.' Among a group of witnesses set to testify on how the United States can succeed at remaining economically dominant over China is J. Christopher Giancarlo, Senior Counsel at Willkie, Farr, and Gallagher and former Chairman of the CFTC. China has been capturing headlines this year with announcements of a central bank digital currency (CBDC) pilot program being launched in four provinces, as well as a promised pilot during the Beijing Olympics in 2022.
- The USD continues to face pressure from several fronts, and these have led to a further decline in the USD Index on the day. One of the factors impeding any progress on the USD is the domestic coronavirus situation in the US. Tuesday's data from Arizona's health department as reported by Reuters indicates 3,500 more confirmed coronavirus cases in the state, which brings the total to 148,683. The death toll has also risen to 2,918. The story is not much different in Florida, where the Department of Health declared an increase in coronavirus cases by 9,440 to a total of 369,834.
- When considering commodity currencies, we tend to focus on exports as they typically have the largest impact on currency fluctuations. However, we are in unusual circumstances. For now, currency moves driven by monetary policy are more likely to be determined by changes in consumer demand. Consumer demand is the precursor to inflation and a necessary function of economic reopening. Retail sales trends are one of the best measures and are closely followed by central banks.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
HPI m/m	USD	0.3%	0.2%	MEDIUM
Existing Home Sales	USD	4.77M	3.91M	MEDIUM
Crude Oil Inventories	USD	-2.1M	-7.5M	MEDIUM

### Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	74.69	74.55	74.25	74.85	75.15	Sideways
EURINR FUTURE	85.41	85.20	84.80	85.65	86.10	BULLISH
GBPINR FUTURE	94.82	94.50	93.90	95.10	95.70	BULLISH
JPYINR FUTURE	69.63	69.50	69.20	69.80	70.20	Sideways

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