

KEY HEADLINES:

- US Congress has authorized several trillion dollars in Covid-fighting stimulus programs. So what's holding the dollar up? I remain amused by all the calls of hyperinflation and high inflation given the Fed has turned on the printing presses. However, currencies cannot be viewed in isolation. To those expecting a total US dollar collapse, here's my word of advice. Stop being so US-centric. Please note Japan authorizes another \$929 Billion to Battle Pandemic.
- The German economy posted its largest decline in output since the financial crisis in the first quarter and entered a recession due to the coronavirus pandemic and the lockdown implemented in mid-March, the German statistics office Destatis said Monday, confirming a preliminary estimate. As previously reported, gross domestic product--the broadest measure of goods and services produced in an economy--contracted 2.2% in the first quarter compared with the previous quarter. GDP fell 2.3% on year in the first quarter on a calendar and price-adjusted basis, Destatis said, confirming the first estimate.
- EURUSD was again unable to close above the 1.0980 hurdle last week despite touching the 200-day simple average (SMA), with the price pulling back into the 1.0800 territory on Monday. The price is now located in the crossroads of the 20- and 50-day SMAs, around 1.0870, and should the lines fail to buffer the latest downfall, the door could initially open for the 61.8% Fibonacci of the up leg from 1.0635 to 1.1495, at 1.0830, and then for the crucial support area of 1.0770. Breaking the latter, the bears may retest the 1.0726 low from April 24 before hitting the 3-year trough of 1.0635.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
All Industries Activity m/m	JPY	-3.9%	-0.6%	MEDIUM
German Gfk Consumer Climate	EUR	-19.1	-23.4	MEDIUM
CB Consumer Confidence	USD	87.1	86.9	MEDIUM
New Home Sales	USD	492K	627K	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	75.89	75.70	75.40	76.10	76.40	BULLISH
EURINR FUTURE	82.77	82.50	82.00	83.00	83.50	Sideways
GBPINR FUTURE	92.50	92.25	91.75	92.75	93.50	Sideways
JPYINR FUTURE	70.62	70.45	70.15	70.80	71.10	BULLISH

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