

KEY HEADLINES:

- The U.S. dollar fell across the board as riskier currencies found a firmer footing on Tuesday, a day after worries over vaccine rollouts and the outlook for U.S. fiscal stimulus boosted demand for safe havens. Mounting coronavirus cases and caution ahead of the U.S. Federal Reserve’s policy meeting this week has dulled appetite for risk, lending support to the dollar against a basket of currencies in recent sessions, but investors were once again nibbling at riskier currencies on Tuesday. The U.S. Dollar Currency Index was 0.19% lower at 90.173.
- More than a year on from the first (reported) COVID-19 case in the US, the world’s largest economy remains on thin ice. Despite optimism around multiple highly-effective vaccines, initial unemployment claims have ticked up in recent weeks, and countless businesses are struggling to hold on amidst government-mandated shutdowns until the economy can start to “return to normal” in the second half of the year. Against this backdrop, the Federal Reserve’s decision is clear: Continue to offer maximum stimulus, with large ongoing asset purchases and interest rates at 0%.
- There has been a notable resurgence in risk-on dynamics that has resulted in violent gyrations in favor of the Pound, the Aussie and the Kiwi. On the contrary, currencies that tend to perform best in times of risk-off have been bashed, printing sizeable outside candles through the last European session. Out of all the price action I’ve distilled in this report though, what especially jump out for me is the breakout in the Sterling index, at last clearing what’s proven to be a hugely sticky area of resistance on the way up for months.

Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German Gfk Consumer Climate	EUR	-7.8	-7.3	MEDIUM
Core Durable Goods Orders m/m	USD	0.5%	0.4%	MEDIUM
Durable Goods Orders m/m	USD	1.0%	1.0	MEDIUM
Crude Oil Inventories	USD	1.6M	4.4M	MEDIUM

Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	72.94	72.80	72.50	73.10	73.40	BEARISH
EURINR FUTURE	88.67	88.45	88.00	88.85	89.25	Sideways
GBPINR FUTURE	99.85	99.60	99.10	100.10	100.60	Sideways
JPYINR FUTURE	70.29	70.10	69.70	70.50	70.90	BEARISH

RESEARCH BONANZA

FOREIGN CURRENCY SEGMENT

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