

## KEY HEADLINES:

- After the 2007-09 financial crisis, the imbalances and risks pervading the global economy were exacerbated by policy mistakes. So, rather than address the structural problems that the financial collapse and ensuing recession revealed, governments mostly kicked the can down the road, creating major downside risks that made another crisis inevitable. And now that it has arrived, the risks are growing even more acute. Unfortunately, even if the Greater Recession leads to a lackluster U-shaped recovery this year, an L-shaped "Greater Depression" will follow later in this decade, owing to ten ominous and risky trends.
- The lay of the land in the Forex terrain is not looking encouraging for the USD outlook in my book. Amid overall buoyancy in equity valuations as the world rolls back containment measures, the backdrop for the world's reserve currency looks negative near term. By checking the chart above, do you notice the divergence in performance between the Australian Dollar and the rest of currencies? That's how much momentum there is behind the currency, which has gone from the most punish during the COVID-19 distress times to the most loved as the risk sentiment keeps flourishing up.
- The spring is shaping up to post the biggest contraction in U.S. economic growth since the Great Depression in the 1930s, but the first quarter is also likely to be pretty bad. The coronavirus pandemic slammed the U.S. hard enough in March to plunge what had been a modestly growing economy into the first recession in almost 11 years. Economists polled by MarketWatch predict gross domestic product shrank by 3.9% in the first quarter, marking the steepest drop since the Great Recession in 2009.

## Economic Indicators to be released.

Indicator	Currency	Forecast	Previous	Impact
German Prelim CPI m/m	EUR	0.0%	0.1%	MEDIUM
Advance GDP q/q	USD	-4.0%	2.1%	HIGH
Advance GDP Price Index q/q	USD	1.0%	1.3%	MEDIUM
Pending Home Sales m/m	USD	-13.3%	2.4%	MEDIUM
Crude oil Inventories	USD	11.2M	15.0M	MEDIUM
Federal Funds Rate	USD	<0.25%	<0.25%	MEDIUM

### Support Resistance Levels – Currency Future:

Currency	LTP	S1	S2	R1	R2	Trend
USDINR FUTURE	76.12	76.00	75.75	76.30	76.55	Sideways
EURINR FUTURE	82.71	82.50	82.00	83.00	83.50	BULLISH
GBPINR FUTURE	95.05	94.75	94.25	95.25	95.75	BULLISH
JPYINR FUTURE	71.27	71.10	70.80	71.50	71.80	Sideways

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