

Tech bust & Commodities boom - markets go from 1999 to 2003 in few days.

Biden administration is stretching the fiscal rope and markets are shivering at the prospect of rising public debt . Yellen talked about Recovery Plan- not just the current \$1.9 tn Rescue Plan - Recovery Plan \$3 tn- \$4 tn. Markets are simply aghast. US growth to be significantly higher for sure but the cost of growth is what troubles the markets .

Irresponsible borrower has to pay more kind of theme brewing . 30-year real yield has risen above zero for first time in eight months. 10-year real yield has risen by 20 bp to -0.80%.

Powell delivers semi-annual testimony before Congress starting today. As usual, the markets expect him to sound dovish

Looks unlikely if Fed wants any credibility.
Key for next Dollar & US Treasury move.

Chicago Fed's National Activity Index rose to +0.66 in Jan from +0.41 in Dec. Growth well supported .USD index- Negative setup targets a test of 89.77, 76.4% of the 2021 rise- which should hold . London high 90.57 and 90.62 -21 dma key resistance

Lagarde was in to defend against further yield rises- most bothersome given euro strength. Break above 1.2169 puts on course to 61.8 of the 1.2349/1.1952 move at 1.2197.

Biden's nominee for No. 2 job at the U.S. Treasury, Adeyemo sounded aggressively hawkish .Markets shrug cold start.China's new home prices rise 0.3% in Jan.

USDCNY to stay around .6.4550

BoE rate expectations , UK recovery hopes

and credible vaccine rollout .Given speed-distance traveled in last month, the pair should ideally cool off .1.4113 tough.

Nasty rally rejection with a bearish outside day - USD/JPY's 105.845 session high pummeled to lows by 105 so far.The 76.4% of Feb's rise and 38.2% of the Jan-Feb rise are at 104.84 to hold .

USDINR driven more by perceptions of the dollar weakness rather than conventional factors such as oil or higher US yields or outflows or inflation . Realisation comes late as new paradigm develops - higher oil to imply lower USDINR- If on close below 100-WMA at 72.53 this week (first such close since Apr 18), the downmove could see 38.2% 2018-2020 rally at 71.70. For owners 72.35 - 72.65 .

