

"Catching the eye" seems to be the new popular Fed phrase. As has always been the usual case, Powell was expected to throw a bone to the bond market whereas he essentially shrugged. He didn't go as far as some Fed speakers who said the higher yields reflected economic improvement but he didn't offer any hint at displeasure.

Eerie repeat of Bernanke May 2013 - taper tantrum then- tantrum without taper now - this time different murmurs? All those who wrote demise of Dollar will surface next January. High momentum fliers -with little inherent strength off their own & pretending as invincibles for long - to bite dust in FX in this Dollar storm.

Holy trinity of market apprehensions – rising real rates, increased expectations of rate hikes, and a stronger Dollar.- Upside surprise in payroll would nuke further .

91.73 break indicates a very strong upside.

It could be passed off as incidental in these bitcoin times but should be seen as significant - Gold has fallen 13.5% from its Jan 6 high - pressing 1688 (61.8 % of 1045 -2072) -failure to hold could see losses accelerate & portend strong Dollar

EUR preparing for 1.1500. Immediately 1.1952 2021 low major support - break to target 1.1887, 61.8% Nov-Jan rise.

China sets growth target of above 6% for 2021 as NPC opens .CPI target set at around 3 %.Government research warns of stagflation and bubbles - no more yuan strength ? With real yields still in its favour, USDCNY could stay quiet around 6.50 .

GBPUSD as expected .Sterling strength is based around UK's fast vaccine rollout, perceived dollar weakness and post-

Brexit optimism all of which have faltered .
Break of 1.3846, 50% of the 2021 rise,
would initially target 1.3752, the 61.8%
retracement, 1.3630 and year's 1.3451 low.

Speculation BOJ widens the band to 60 bp
Confirms no asset bubble .But can't be too
unhappy about the yen's rapid fall.Almost a
straight line up from 107.30 -Went wrong
on exp downmove. .Next targets are 76.4%
and 61.8% Fibbo of drops from June and
March highs-108.13/23. June's high &
100% Fibbo off 102.60-622 are at 109.85

USDINR against expectations- Even 100 \$
oil and 100 DXY seem not enough to shake
off this complacency.Historically repeated
instances of Opening higher to close lower
through successive sessions have always
resulted in strong base . Markets normally
tend to lose conviction -spike eventually
happens - Friday a spike day ? 72.85 73.35

