

Sentiment-driven rebound in tech as well as Gold after relentless selling. Yields ticked lower as \$58 billion in U.S. 3-year notes was well received- probably what flicked the risk switch. But auctions today and tomorrow to determine the mindset . Most relevant data for now - U.S. CPI today & PPI Friday.

China hits headlines - Dovish growth target hides hawkish fist - the markets fret at the possibility of rockier time this year - the prospect of tighter policy ,slowing recovery and clampdown on leverages. S&P 500 stood on the precipice of a correction. Chinese equities to set global risk tone hereon - as consensus is aggressively China long.

USD index-Trending setup - close below 10 dma at 91.40 needed to negate topside bias.NY 91.92-92.13 range to hold.Next is

resistance at 92.62, 61.8% Sept-Jan fall.

Thankfully, EZ vaccine rollout gaining pace. However rising rates a serious risk for nascent EZ recovery; hence ECB to stay obviously dovish . But Surprise- ECB barely increased PEPP purchases last week - stoking concerns on ECB's resolve to calm market nerves. Bearish for immediate test of 1.1778, 76.4% Nov-Jan rise. Close abv 1.1996 falling 10 dma needed to negate.

PBOC says less yuan appreciation this year. Move in Tuesday's fix -the biggest one-day weakening in percentage terms since July 20, 2018. Whipsaw trade. CPI retreats less than expected -0.2% but PPI rose at fastest pace since Nov 2018- prospect of a surge in global inflation. USDCNH to reassert bullish bias today on close above 100 DMA 6.5253 for objective 6.6850.

Royals have more damage control to do

than GBP/USD bulls, who are able to lift their heads till 1.3925 as exp. However, like the monarchy, the troubles are probably not over. Far from immune to next dollar surge. Still 1.3930 stop for 1.3430.

There is likely to be no change in target range for JGB yields at Mar 18-19 meeting - bullish for USDJPY . (Kuroda dismissed the idea but Amamiya looks flexible).

Strong bidding interest - retracement completed at 108.42. Above 200 wma @ 109.01, 55-mma @ 109.25 - obj stretch to 110.33-112.43 .

USDINR : Higher oil implies no official bids these days - markets getting used to this new paradigm- Despite getting wrong, would still be biased to say that it is on the threshold of uptrend. 72.95 73.15. Close above 73.15 to help conviction.

