

Optimism about the economic recovery by Powell and Yellen was not able to keep the markets cheerful - technology shares decline for the second straight day. Risk on the back foot.

Geopolitical headlines engage attention otherwise:

- Suez Canal - just one of those wild cards that is unique to oil industry and hence the markets may not react especially ahead of April 1 OPEC.
- If you rub China on wrong side, North Korea would fire a missile. - again proved right .NK launched two ballistic missiles fuelling tensions ahead of Olympics & ramping up pressure on Biden.

March US Markit PMI data was robust with

services at an 80-month high and Mfg at second-highest on record. Sharp decline in Feb U.S. durable was seen obsolete. Intel's plans spur other US firms to reshore production. USD index 92.62, 61.8% Sept/Jan fall major resistance and caps at present. Close above 92.62 would be a strong positive.

Europe continues to struggle on slow vaccine rollout and rise in cases. EUR/USD traded below 200dma for entire session -- first time since May -- Possible landing point around 38.2 fibo 1.0636/1.2349 move @ 1.1694 - break there targets Nov trend low at 1.1602.

Creeping risk factors against yuan may be scrutinized more - Yuan bullish bets may have yet to account US aggression. Sino-Western tension further as Russia backs China. Joint statement calls UN summit. USD/CNY jumps abv 100 dma 6.5234.

UK- EU issues dominate Dombrovskis says EU's tighter rules on vaccine exports not aimed at anyone. **BoE's Haldane optimistic on economic recovery.** Sterling breakdown. Tech damage done . Rebound in UK PMI prevents bleeding. 1.3675 = low since Feb 5 -UK CPI unexpectedly falls (pre-UK PMIs). Targets a test of 1.3637 - 76.4% of the 2021 rise.

Japanese importer interest could continue after Tokyo fix - consolidation to continue in month, qtr, fiscal year-ends - supply by 109 again caps. 2021's 6.6% uptrend is intact while above 21 dma 108.24.

USDINR and forward premiums moved on expected lines. Upside supported by Base formation of third week March and importantly slew of global negatives and local virus risk . But balanced by string of holidays amid fiscal close and year end

carry . Expect muted range 72.55 72.85.

