

President getting the top billing ahead of Fed chair in media on a key FOMC day is the reflection of the lingering theme for FX this year : lack of volatility - bereft of real impetus and directional bias. Continuing battle for weaker currencies to anchor the post pandemic upswing is very much visible everywhere .

Biden was trying to thread the needle between Republicans opposed to more spending with a tax rise and Democrats who believe Biden needs more aggressive plans. Core differences suggest a long hard slog before any spending hits streets.

No surprises from Fed - acknowledging a stronger economy while holding steady on policy .Powell carefully avoided being pinned down on specifics. **US data tonight will show strong inflation. But Mantra** right now is that inflation is merely 'transitory '

and the number will be shrugged off.

In this new world, unless Fed shows any reactive function, strong data is of very little help for Dollar : 2021 up trend-line at 90.266 will be in play - close above 90.98 10 dma would end downside bias.

EURUSD poised towards 1.2190 horizontal area comprising multiple highs marked since Feb 26 .However, 1.2210 and Feb top near 1.2245 will hold .

Biden targets China- will stand up to unfair trade practice, protect tech and IP-will keep up Indo-Pacific presence. Chinese Ministry of Transport is projecting record high people move over the course of the 5 days off.USDCNH near-term top at 6.4860. Support at 7-week low 6.4641 strong .

Scottish election next week (May 6) won't let the upside break even in USD soft

dynamics. UK Mar car output +47%. To stay between Asia 1.3935 low- 1.4009, Apr high & UBB

USDJPY bounce stalled short of 109.22 resistance, 50% March/April fall. Setup suggests choppy consolidation. After BOJ, yen weakness is given and hence 108.30-108.80 in the golden week is likely .

Global liquidity & continuing virus woes . As against normal perceptions, lockdowns and unrelenting virus spread appear to be currency positive in some economies. (Italy is an example). 74.61 looks distant barrier whereas 74.18 is the negation trigger for the uptrend .