

While risk appetite proved "resilient" at the end of last week, the situation has deteriorated since then as Putin put Russia's nuclear deterrent on high alert in the face of barrage of Western reprisals.

Less than five days after it started, the Ukraine invasion has triggered a Western political, strategic, economic and corporate response unprecedented in its extent and coordination.

For now the spiraling pressure on Russia highlights the increasingly likelihood that Russian exports will be disrupted - moreover ,struggles of Russian military show this crisis could drag on for months.

It is prudent to stay on the sidelines rather than jumping into these violent moves.

More than ever before, the efficacy of FX reserves to shield a currency and as a corollary the economy as well as the banking system has been exposed. In the immediate context, Exclusions from SWIFT will lead to missed payments and overdrafts-Sber Bank Europe is failing or likely to fail leading to chaos around. Fed to definitely step in with its liquidity support - economics and monetary policies are of no relevance in this context.

U.S. dollar strength is valid, but strategy is to buy weakness not strength. 97.72, 61.8% of the 2020-2021 fall capped last week and is the key resistance. 96.55, 38.2% of 2022 rise which held Friday is initial support.

EU decided for the first time in its history to supply weapons to a country at war.

Even Neutral Switzerland is expected to follow the EU with Russia sanctions and freezing Russian assets. Below 1.1254, the key zone 1.1105- 1.1122 will definitely give way and EURUSD can be looking at an unprecedented decline., so long this crisis lasts .

Yuan strength attests to its fledgling haven status.

UK emerges as the hardliner in this saga- says Russia needs to withdraw from Ukraine for any talks. Technical signals suggest trend is lower. GBPUSD Targets 1.3166-75 Dec 2021 low and 38.2% 2020-2021 rise.

Massive option expiries today at 115.40 strike, \$1 bln, could help anchor. but USDJPY becomes a buy on dips in this

crisis - just proves that Yen is no more a safe haven.

USDINR to open closer to 76.00 - IPO in these difficult times looks a bit too stretch - Upside defence for sure but direction is all but clear .