

Biden in Europe for Ukraine war summits, as struggle intensifies in Ukraine. Expect the headlines to have some echo in the markets. But it's all about inflation that is keeping the undercurrent negative in risk markets.

More than all Fed speak, Daly's was the eye opener - she has often been more cautious than everyone and her openness to 50 bp hike at May 3-4 meeting shows a rising sense of urgency - Bullard is far from a lone voice. Plenty of Fed speakers today. "50bp hikes ahead" is the new rhetoric replacing the transitory talk.

Russia confirmed that oil exports via Caspian Pipeline Consortium will fall by around a million barrels a day for up to two months as a result of storm damage.

Technically , Brent almost near terminal point of move at 123.01 -rejection to see 118.03.

US inflation expectations as per 10-y breakeven inflation per St. Louis Fed rose to all-time high of 2.94%. **Geopolitics & hawkish Fed provide support - BB contract** - technical setup suggests a range top test. Rising 21 dma at 98.20 a base last week - major support. Multiple highs at 99.20/40 in Mar - key resistance.

EUR/USD has traded in a 1.0806-1.1137 range since March 3. Negative technical setup, suggests 1.0806 range base is vulnerable. Support is at 1.0960/65 where it held dips last two days. Biggest EUR buyer **SNB meets today** - (SNB revealed it had spent 21.1 billion francs on FX interventions during 2021, after spending

110 billion francs in 2020)

PBOC fix 6.3640 cools bullish momentum building up this week. Close above 6.3624 will keep bullish chart cues intact.

Rising UK inflation to hit UK spending and growth. Sunak's cautious budget update fails to impress. Bearish Harami signal yesterday - negates the upside view - lean neutral for now - Price peaked at 1.3299 initial resistance. Tues 1.3121 low trigger point.

Minutes of the Jan 17-18 Policy Board meeting shows heated debate. That said, no doubt policy remains on hold. 121.06-18 so far after 121.41 yesterday. Another jump in crude oil prices not lost on the bulls. A close above 121.41 to target further gains towards 2015 125.86 peak

USDINR moved as expected - for today to stay well anchored at 76.30 and try to scale towards 76.80 .Upside defence may be muted given that rupee woes have not cooled down as per the play book of last few years but on the other hand have continued to escalate testing the resolve .

