Market is gradually coming to terms with the Fed's emphatic resolve to tame inflation despite the likely trade-offs and the tighter financial conditions -some recent amelioration notwithstanding - are here to stay and the growth slowdown - Fed is engineering- need not result in a deep and prolonged recession.

FOMC minutes indicated support for another 25bp rate hike in March. Recent data, (blowout jobs report, hot inflation & solid retail sales) implies a bigger hike of 50 bp could very well be on the table- simply put ,Economic resiliency will definitely make the underlying inflation more persistent.

While many of the IFO indicators appear to have bottomed, there is hardly anything to get too excited about EZ outlook as the hard data remain weak.Villeroy noted ECB is not obliged to raise at every meeting, as deposit rate already at restrictive levels, suggesting markets may have overshot on ECB rates' peak. **Close below** 76.4 Fibo 1.0612 confirms **downtrend for 1.0485** . Resistance @ 10 dma -1.0673.

Wang said China-Russia relations had "withstood pressure" and would not be swayed by any "third party". Stronger this assertion, weaker the CNY- for now USDCNY is straddling at 6.8800 pivot

Sterling has been allowed a bit of respite, but it all depends on how restrictive BoE will come across in March.For now ,failure to progress leaves GBP vulnerable to more downside. Expected range 1.2059 -1.2147 is holding .

Holiday -Emperor's Birthday.NY 134.37-134.99 range to stay in tact .Upside objective is the 38.2% Fibo of the Oct-Jan drop at 136.66. Supported on closing basis by 100 hma now at 134.50.

MPC minutes taken in stride -"we will follow Fed" is the message - USDINR remained well protected at 82.85 and another day of miniscule range 82.75 82.85 .