

Markets are having an "illusory" spell now - when both bad news and good news are deemed as good news, former because the Fed will have to stop hiking, the latter because the economy is on the upswing - it can't sustain for long ..

There is perceptible faith in soft landing. All the landing scenarios should support the USD - however safe landing makes it harder for USD to climb in a vertical line .It is worth noting that similar themes and trends transcend shores.

Strong data was the story of the last week - markets stay assessing its impacts on the path of inflation as well as Fed.ISM non mfg : Employment & new orders rose from January but prices paid dropped to 65.6 from 67.8 -which could be a sign of

moderating inflation.

This week's two main events : Powell's semi-annual testimony to Congress & payrolls. Biden expected to release budget for fiscal 2024, which might include higher taxes.

Boštjan Vasle : "My personal expectation is that the increase we intend for our March meeting – that is 0.5% – will not be the last one." Lagarde : Inflation could stay uncomfortably high . Howsoever you mimic Fed and pose as inflation fighting Central bank , currency can't get stronger on account of structural constraints. But for a **Close above 21 dma @ 1.0661**, the downmove should happen

All eyes will be on the National People's Congress , as it kicks off annual session.

(China will announce major personnel changes, government policy goals, and growth targets). USDCNY well anchored at 6.8800 - break of 6.9250 to ignite upside .

GBP helped by UK services PMI upward revision from 53.3. First weekly gains in three - now fading Brexit optimism. UK to extend energy bill help for three months - The Times. GDP data on Friday probably is the only notable data. Sell on rallies with 1.2150 stop for 1.1920.

The end of Kuroda's tenure is here. BoJ meets on Mar. 10, but incoming leadership is on policy pause for now. USDJPY within 135.50- 136.50 range notwithstanding the latest U-turn from 100 dma in USDJPY - challenging is 200 dma hurdle 137.40.

Single stock sentiment drives all the asset classes - the intensity of the influence could wane in the nearfuture thus making other factors relevant . Till then Euphoria every where - What you hear from the markets : At 83.00 we get increasingly bullish on the pair and at 81.00 we get aggressively bearish on the pair .The broader range 81.00 83.00 continues to be relevant. For now 81.75 82.00