

Dwindling confidence amid uncertainty over which will be the next brick to fall - resultant Risk-averse sentiment highlights how markets remain nervous about further fallout. Its no more about inflation or growth or interest rate differentials.. its all about how the perceptions are prevailing about the safety of the banking system and how proactive policy making could be if a crisis strikes .

Shortly after Powell and Yellen came out with the joint statement, Lagarde hopes the Swiss-brokered rescue of Credit Suisse will restore calm in financial markets.it will be very interesting to see whether SNB sticks with plans for a 50 bp hike.

Major Central banks chose to announce a coordinated action to enhance provision of

liquidity via standing USD liquidity swap line arrangements. Enhancing swap lines like this is a sure sign that the stability concerns are heightened.

It goes without saying that the focus in Europe will be on whether there are any ripple effects. EUR/USD hit 1.0707 earlier, but no follow-through - Resistance at 38.2 of 1.1034/1.0516 at 1.0714 (50% at 1.0775)

PBoC has announced an unchanged policy despite demand for higher stimulus. One-year & five-year LPR steady at 3.65% and 4.30%. USDCNH stays at 6.8800 and thus retains upside potential for 7.00 test.

Bank of England meeting on Thursday will be fascinating - Coin Toss as Markets are torn on whether MPC will hike or not, and it

may well be swung by whether there's any further disruption prior to the meeting, as well as the inflation data that is released the day before. Rebound in manufacturing production. Base case is for sub 1.2155 downmove with stop above 1.2209.

Matsuno says Japan's financial system is stable as a whole. To stay well supported in whole. Choppy 132.60-131.65 range .

USDINR softens on oil as well as depressed global outlook - obviously it does not help rupee - misplaced optimism as it's all about outlook for growth and Capital flows that determine the trajectory of the exchange rate . To stay 82.45 82.55 range .