

The wheels appeared to be coming off the artificial-intelligence euphoria - Markets are assessing the impact of all that hyped AI investment/ expenditure and finding that it is much more of an expense right now rather than an instant revenue generator. S&P 500 fell 2.3% and snapped a 356-day streak without a 2% decline, its longest since 2007.

Swooning sentiment was made worse by Bill Dudley who flipped from higher-for-longer hawk to cut-now dove- did mention R word - however given Atlanta Fed GDPnow at 2.6 %, historically tight labour market, fiscal deficits & level of debt ( Trump added \$ 8 trillion - Biden added \$ 7 trillion ) & inflation , is it practically possible ?

US flash PMIs confirm continued uneven

performance - concerns over persistent high cost of living evident in service sector. Firms talk higher prices for raw materials, energy and logistics - latter on account of increased freight and shipping rates.

EZ July PMI composite came at 50.1, from 50.8 in June - Very close to 50-threshold - confirms EZ economy losing momentum - return of optimism fades - Headwinds are fast fading in Germany , especially for consumption with fiscal & Monetary policies not of any help .EURUSD hesitant around 38.2% Fibo 1.0840 -200 DMA just below at 1.0819 - break sets up 1.0695.

Contraction of South Korea's economy in Q2 was unexpected: Adv Q2 GDP -0.2% q/q, - sharpest contraction in six quarters.

China's Offshore bond inflows in May at

USD24bn dropped to USD 12.5 bio - June inflows primarily driven by Negotiable Certificate of Deposit (NCD) inflows -USD 11.3 bio hedged - Macroeconomic & BoP context pile continued pressure on CNY.

UK flash PMI stronger- Composite: 52.7 vs. 52.6 exp. (pre 52.3). After BoC rate cut, there is a build up in BOE august - but looks unlikely - GBP USD broke 1.2900 thrice & 1.2879 did not give way - resultant bounce -time to bet on GBP weakness for 100 dma 1.2678 with a 1.3050 stop.

*Japan set to establish a national minimum wage standard of 1,054 yen per hour on average - largest increase ever. Resultant Rate hike bets -howsover misplaced - global risk-off impulse & leaning with wind intervention flows- slumping USDJPY yet to find feet - though tempting to again test*

waters and possibly get bruised , sensible  
to stand aside Last 152.35 - eye on 200  
dma 151.55-

