

Talking about macro headwinds , it has been proven time and again that at the core of US exceptionalism is its undisputed technological leadership and capacity for innovation- so long that stays , the global Dominance of US and as a corollary Dollar would continue
- Debate about tariffs, Fed ,Debt & Deficits are only marginally relevant in the bigger picture

Nvidia -who jump-started AI frenzy- has scaled market cap of \$ 4 trillion - 3.3% of global GDP- highest ever for a single stock- That happened so quick. if one recalls It was only back in 2018, Apple became the first \$1 trillion publicly traded company.(for context , at March 2000 market cap peak of about \$550 bio ,Cisco was at 1.6% of global GDP at the time)

This Nvidia story is the manifestation of the fact that US exceptionalism is not dead but rather entering a new phase, with support from the private sector amid AI tailwinds. US wont be subsumed by global competitors.Beyond short-term portfolio rebalancing, fundamentals to reassert leading to flows back into the US.

In contrast to the global trends , US 30 yr auction uneventful - yield of 4.889% was spot on with when issued pricing.Distorted by the timing of July 4th holiday, weekly claims fell to 227k. However ,elevated level of continuing claims points to moderation in hiring.

Trump's big win is how quickly he got the world used to the new reality of a universal 10 percent tariff. However the markets are beginning to look through the headlines - be it on Mr Too late or on Tariff -and focus on actual impact -implies less volatile markets ahead .

EU might receive a letter notifying them of new tariff rates 'today or tomorrow.' Europe has to decide a strategy - Stroking the US ego is unpleasant business and wasting time in conflict is theater-which US would enjoy-is much worse. 10y Bund yields have started to rise again of late, reaching 2.7%.

Close below 1.1660 21dma to see 1.1537, 0.382% of May/July rise.

While no formal plan has been announced, there are signs that a policy is coming for tackling disorderly competition and price wars - if happens, its significantly helpful to global trade from China's overcapacity, output spilling into the global markets.

GBPUSD has been trading through the same block of intraday levels nea 1.3600.

Close below this week's 1.3528 low would target the 1.3370 June base.

Ishiba talked about Japan's contributions to US economy and strategic interests, pointing out that Japan has been largest investor in US and major job creator for 80 years.Ishiba called it 'a battle for our national interests' -expect economic and security fallout - 148.55 obj.

No letter yet - 85.75 - 85.95