

Another day of abnormal price swings in all asset classes - Worse, silver and gold have much more volatility than stocks- looks like repeat of 1980 and 2011 These are huge price moves driven by sentiment—pure, frenzied speculation.

While everyone wants to interpret any of these price swings , the bond market is probably sending out important message- by continuing to stay roughly flat in the higher ranges - with 10-year closing around 4.27% and 2-year at 3.57%.

Long end sovereign bond yields manifest the confluence of fiscal sustainability, currency confidence & financial stability. The elevated yields reflect diminished confidence and credibility in the system and hence volatile swings in rest of the markets -

Rising political risk about Fed leadership: Tillis has emerged as the decisive obstacle and the impasse leaves Fed's leadership transition timeline uncertain. Variety of perspectives on how the standoff could play out.

Word buzzing in street :SaaSocalypse,' an apocalypse for software-as-a-service stocks- very much 'get me out' style selling.Sentiment goes from bearish to doomsday in respect of Software stocks -

AI spending trends in focus with Alphabet reporting today & Amazon tomorrow.Some jitters from the price action in US Equities : however , historically, a positive January has been a bullish signal for full-year returns in S&P . Since 1970, S&P 500 has posted positive January in 33 years - index

gained in 29 of those 33 years.

Non-farm payrolls and JOLTS were delayed this week - they will be rescheduled. The House ended US govt shutdown and surely the Senate will now follow. The vote was 217-214.

Unexpectedly soft inflation may heighten worries among ECB officials that inflation could undershoot 2.0% target. ECB could express concerns about disinflation.

1.1737 obj below 1.1850

China's services sector at three-month high at 52.3 in Jan. China moved to boost govt finances by tightening tax incentives signalling a broader push to raise effective tax burdens.

Think tank report : UK economy would be

3.6% smaller by 2040 if net migration fell to zero. Good news for GBP : EU “ready to engage with an open mind” on a customs union. GBPUSD anchored near 1.3700 - await BoE on Feb 5

Japan's Services Business Activity Index at 53.7 in Jan from 51.6 in Dec. Strong View taking hold that Takaichi in essence for weak yen a la Abenomics and sustain demand of USDJPY from stock hedgers, Japanese importers. 158.88 obj

Deal Euphoria dissipated and structural drivers push the pair higher - Swap related demand at these levels as well .90.25
90.75