

Globally, there have been persistent but less headline-grabbing rise in long yields which have sounded crisis-like., despite all 'soft-landing' rate cuts - there is structural slowdown in duration demand .It could be on account of markets resetting inflation expectations or what Fed calls inflationary expectations becoming unanchored.

Roughly 50-year bond bull market is over as disinflationary forces of globalization have largely run their course, and in some cases are reversing. Govt deficits and debt profiles on a potentially unsustainable path which obviously causes a repricing.

As the cycle ages, growth tends to slow but inflation doesn't.- Consumer Inflation expectations remain the highest in last 40 years and this may not recede if Fed cuts rates in the absence slowdown.Hence the pace of rate cuts in US is still up for debate.

Nvidia results showed underpinning of US exceptionalism is still strong - however worries of AI bubble and repercussions of tariff tumult are not quelled.The big driver going forward will be shift to "reasoning AI" & "long thinking" AI systems. In bond markets , \$70 bio 5-year auction tailed by 0.7 bp high yield of 3.724% vs 3.717%.

Pockets of wariness still exist in French yields given fiscal & political concerns. But markets move on - No sign of progress toward Russia/Ukraine ceasefire.EURUSD bounced off 1.1574 - should ideally peter out at 1.1660 for 1.1528 Aug 5 low.

Chinese stocks are at decade highs but structural risks and economic headwinds raise doubts over sustainability.Media stories as to how two preceding liquidity-fuelled stock rallies and policy blitz last year sputtered quickly and need for caution.

CBI survey shows firms cutting hiring and investment as profits squeezed- outlook gloomy for rest of year.Consumer services firms reported negative outlook for eighth consecutive month which does not sound well for a consumer economy -a close below 1.3393 in GBPUSD should see test of 1.3250, the 50% Fib of 1.2712-1.3787

When is a 'trade deal' not a deal at all. Akazawa cancelled planned U.S. visit. Still in 146.22-148.77 range in place since Aug14.Probable breakout above 200 dma at 149.10 could spark a larger upmove.

US Treasury Secretary talking about the Rupee level for the first time ever - though a little too weird , a moment to remember - so is the case of 12 th Anniversary of 68.80 -then cyclical peak - being today . Obviously 87.75 to resist for now-