Markets tend to view interest rate changes very simplistically deeming Higher rates as bad and lower rates as good. But in this current paradigm,structural fiscal deficit has overwhelmed monetary policy as the primary driver of economic activity and inflation and there has been fundamental shift in dynamics.

So the relevance of monetary policy is all but waning but markets choose to go by the playbook of previous era for trading the current paradigm resulting in Volatility and Uncertainty.

In sofar as Fed tonight , It may not be an unequivocally dovish statement as the markets have priced - add to that, probable hawkish undertone in presser.The most peculiar feature of this FOMC could be the likely multiple dissents in both directions and hence markets may not be able to linearly react as conviction on future path to be less pronounced .

As Equity markets may not even choose to reconsider their "melt up" momentum in the current context of AI investment cycle , (irrespective of whatever Fed does or talks) Fed's medium-term credibility could be gauged by reaction of longer end in bond market.

Otherwise for connoisseurs, Odds of govt shutdown at the end of the month are creeping up.Aug Retail sales shot up 0.6% buoyed in part by prices (reported nominally)- message is that economy can not slow down if consumer spending- two-thirds of activity- continues to hold up.

Financial markets caught between US exceptionalism boosted by tech and reindustrialization, contrasts with a Europe in search of visibility, weakened by German and French uncertainties. EURUSD backs off from 1.1878 - mega-option expiries for now to keep downside limited. Pivot at 1.1745 on weekly close is still relevant.

Focus shifts towards a potential trip by Trump to China.If it happens, it will be first visit by US president since 2017.Bumper 'golden week'(Oct 1- 10) travel - Railways to carry 219 million passengers (Last year 177 million) - Usual Calling of "Green shoots"

Yesterday 's UK jobs market data shows familiar pattern: a gradual slowdown in hiring, rising unemployment, yet with wage growth still high - CPI exp at 3.8%y/y- the currency does not care for those niceties. 1.3657 highest since 1.3681. EUR GBP overvalued relative to sovereign credit risk and rate differentials, opening downside potential there - better to bet there.

Japan's exports fell for the fourth straight month- Persistent weakness underscores downside risks for economy. BoJ to stay unchanged., even as inflation remains above 3% - households more restive with price increases outpacing wage gains. Should revert into 146.50 148.50

Loss of 87.95 indicates relaxed grip and appreciation for the lofty level of other currencies against Rupee - stage set for next layered range in charts 87.65- 87.95.