

The first six months of the year have thrown up a war, an energy squeeze, a hawkish shift in Fed and growing concern about hyperscalers' capex spending and debt issuance. The resultant backdrop is one where Fed is getting restrictive, the dollar is strong, Europe is soft, China is leaning on AI exports, and emerging markets are fighting dollar shortages.

Price action in Dow and Nasdaq over the seven sessions conveys subtle message :Dow rose 0.5% & Nasdaq fell 5.0% - a cavernous 5.5 % spread.Such divergence tends to signal cyclical turning points ,as narrative shifts from profit taking to rotation, then to earnings risk, and finally to recession risk if credit and labor break together

There is an interesting pattern defying logic -When the ten year yield gets below 4.5% lately, money goes into sectors beyond tech. When yields climb to 4.5% ,money gravitates back toward tech.

Supreme Court ruled 5-4 that Lisa Cook can stay in her job while lower courts continue to debate the case.Chief Justice John Roberts wrote : "Not only the fact of independence but also the appearance of independence is key to the Federal Reserve's design," -

Sintra forum runs-Lagarde: ECB can now raise rates without financial stress.Europe's worries have promptly shifted from fuel shortages to blistering heat.Economic Sentiment Indicator rose from 93.7 to 95.0.Solid resistance 1.1449 is key 23.6% Fibo of Apr June 1.1849-1.1325 to hold into summer.Asymmetric skew towards lower and potential to touch 1.1000.

China's official PMIs came better .Mfg returned to expansion, while the non-mfg PMI, improved to 50.2 - global AI investment is providing an important cushion but the concerning read is that Factory gate prices slipped to 48.2 from 51.9 in May.Appears to be slipping back into deflation.

GBPUSD continues to show resilience, despite Miliband emerging as a frontrunner for being the Chancellor. Markets do not see material risks of fiscal slippage under Miliband.Should this momentum clear 10 dma 1.3243 bulls will confidently target the 200 dma near 1.3400,

Tokyo spent ¥11.7 trillion buying yen in this quarter - yet USD/JPY is back above 162.00. The message to the world at large is that FX Intervention buys time, not control. Jawboning now at 162.00 is the only choice because it is cheap.

The quarter was marked by explicit reluctance to hike rates and reliance towards off balance sheet exposures to achieve stability of the exchange rate . 94.45 supports 94.80 test .