

Nervousness continues to grip the markets, as they react to constant news cycle. Hope springs eternal, even though no tangible solution appears to be around the corner. Hard timelines and conditional escalation result in ambiguity which sustains risk premium.

Oil has been pricing a supply shock and Equities trading on hopes of resiliency- the market is trying to convince itself that both can be true at the same time. Obviously, resumption of flows through Hormuz is what would matter for both.

One of the maxims is "price represents truth, at least for the moment." and if we go by the pricing of the Betting markets, it says that there's only a 27% chance that Hormuz resumption happens by April end.

It's natural that the mention of Poly market pricing gets a wry smile, but one should appreciate the current pricing dynamics: Datafeeds from Polymarket predominantly drive algorithms in oil futures and hence monitoring Poly market odds is a better way to see where oil is going and of course where the risk is going.

Good Friday, which is not a federal holiday, has been a NYSE holiday in all but three years since 1864. Bond markets learned a hard lesson in late 1990s and hence bond markets remain open for half-day on Good Fridays when payroll gets released. 178k new jobs and 4.3% unemployment rate - when it gets just a passing mention, you know where the focus of the markets are.

Inflation is first-order spillover risk. March US CPI on Friday could see a m/m rise of 0.9% and y/y from 2.4 to 3.3%. Chinese inflation data also to confirm a picture of deflation spurred by rising cost push pressure.

Markets quiet with most of Europe closed for Easter Monday. ECB looks set to at least do an insurance hike, and another, to contain inflation expectations. 1.1500 to break for 1.1440-50 daily lows Mar 18-31, 1.1409 trough Mar 16.

In contrast to other Asian importers, China stays independent of one supplier. Tokyo normally buys nearly 80% of its oil from Saudi Arabia and UAE. China bought same share of oil from eight countries.

Despite pushback from BoE, sterling rates have hawkish undertone. GBPUSD 1.3200 break to see 1.3035.

Takaichi has said the govt will not rule out options, indicating public may be asked to reduce gasoline consumption. USDJPY resistance 159.97 high Tuesday, 160.47 peak Monday. (intervention does not normally happen on European holiday)

USDINR in the process of learning to live with the new regulatory measures and trying to stay in limited transactional role between 92.75 - 93.25 - elevated forward premiums convey subtle message about future expectations?