Little in the way of fresh developments with both sides remaining in a deadlock- oil market adopts a "no news is good news" stance -OPEC lowers its world oil demand growth forecast for 2026 to 580,000 bpd in its monthly oil market report yesterday. There are rumours UAE released Iran's frozen assets on Aug 11 and Aug 12 including gold worth $212 mio, exerting subtle downward pressure on oil prices.

On the other side of equation , its AI positive sentiment day , after upbeat CoreWeave and AI infrastructure earnings, with Philadelphia Semiconductor Index up around 2.5 % -Japan follows up hitting fresh records and Kospi posts strongest sessions in months.

Even as the markets remain primarily anchored to CPI , July Budget deficit came in at US$432bn, 25% wider than consensus and 48% above July 2025. One can argue that it is inflated by a $99 billion shift of August benefit payments into July as Aug 1 fell on a weekend - but the adjusted $333 billion shows spending momentum.

Note that the 10-year auction for USD 42 bio cleared at 4.683%- highest since 2007.The 10yr Treasury yield to trend towards the 5% area. Going above is not an option that Bessent may relish atleast for now . But getting close is the trade.

Fed NY data shows Credit card debt in the US is growing close to a record high, having crept up to $1.26tn - convergence of mounting household leverage, massive corporate infrastructure outlays, and heavy govt borrowing creates a structural macro backdrop that strongly argues for "higher-for-longer" interest rate regime.

Combination of severe, climate-driven drought and persistent natural gas tightness defines the acute energy and resource strain in Europe.Gas Storage levels fell, adding to supply fears in Winter.European gas has firmed this week, with TTF pushing back above EUR 60/MWh, EUR USD to get resisted at 1.1587 -50% of 1.1849 to 1.1325 - while 200 dma which has kept a lid since May 15, sits at 1.1630.

Anticipate tepid outcome in today's GDP data release - GBP/USD's August performance since 2000 shows it has fallen in 17 of past 26 years. But in this year , it opened the month at 1.3477 and is now consolidating above. Rejection at 1.3540 tempts one to bet on seasonal trend.A break below 1.3432 to confirm.

Exceeding IMF threshold - of three intervention episodes within a six-month window- does risk IMF reclassifying Japan's currency regime as floating rather than free floating- which carries reputational and diplomatic weight under G7. So its less likely there would be intervention before November. Brave can position on that premise - PPI stays elevated at 7.2% -Weak yen is doing the heavy lifting for BOJ hike bets.

Expectations of the Capital inflow of USD 1.9 bio anchors the sentiment - but experience shows that days of such flow driven moves are the story of the past as 'bids' stay ready to absorb.