At some points in the cycle, it's difficult to distinguish between narrative and true fundamentals. The narrative now is that software companies have an existential crisis as the advent of AI threatens their business models. This Doomsday talk might be exaggerated, just like DeepSeek's five seconds of fame.

Anthropic and the seeming superpowers of its Claude chatbot is the primary reason markets fear a moment like displacement of BlackBerry when iPhones redefined a smartphone.

Software has now undergone the largest non-recessionary 12-month drawdown in over 30 years (-34%), wiping out two trillion of market cap from the peak and reducing its weight in S&P 500 from 12.0% to 8.4%.

Apart from this hiatus by AI across many value chains, the macro backdrop looks oddly supportive.Even the US consumer, grumpy for much of last year, is showing signs of life as Michigan sentiment hits a six-month high.Inflation appears to be behaving across the world , raising the prospect of extended Goldilocks stretch.

Jan Nonfarm payrolls doubled forecast of 65K pushesthree-month average pace of job growth to 73K, strongest pace since last Feb. However Payroll gains in 2025 have been revised down to 181,000.In full history of payroll, the only year that has been weaker is 2003

Europe is currently squeezed between US that owns the high-tech & China that has moved from low-end into mid-technology that Europe once dominated.Macron just declared a European 'state of emergency', and Europe must become global economic power or risk being swept aside.EU leaders to clash over 'Buy European' push at Belgium summit today - 1.1797 objective below 1.1926

US and China are poised to extend trade truce by up to a year. Anyway tariffs and trade are obsolete headlines these days China markets shall be closed Feb 16–23 and region would see disrupted liquidity.

UK Q4 prelim GDP 0.1% vs 0.2% q/q exp.
Big picture is that UK economy had defied gloomy popular narrative & outperformed expectations - unlikely in this year - below 1.3650, 1.3509 Feb 6 daily low in focus

Yen jumps on bets for 'fiscally responsible' Japan, even as markets wary of meltdown over her expansive spending. Nikkei buoyed by stronger yen, on foreign non-hedged purchases.Mimura inexplicably watching markets with a "high sense of urgency". Better to wait for dust to settle.

This dispensation probably believes in hitting at the open whereas the previous eras used to see big bang only in the slog overs. 90.25 90.75