

The defining message from Sintra was from Bank of Canada Governor Macklem : We have to be humble in this time of uncertainty. The discussions certainly indicated that monetary policy is shifting back to basics . Importantly , AI has emerged as the overarching global theme . Consensus is that If AI would impact financial stability even if overdelivers or underdelivers.

Trade jitters again : USMCA which facilitates roughly \$2 trillion in annual trade among the three neighboring countries, has been one of the few stable pillars of U.S. trade policy. Now, even that certainty is giving way to more regular reviews.

ISM Mfg PMI at 53.3. U.S. manufacturing has now grown for six consecutive months - its longest unbroken run of growth in nearly four years - also supported by the AI investment boom, which has helped to blunt the hit from the Iran war.

JOLTS job openings at 7.594 million- two year high -ratio of openings to number of unemployed is above 1. Employment component in Mfg PMI improved to 49.7. Challenger layoffs cooled and hiring plans are better than last year .ADP at 98k - all point towards a strong payroll today .

Europe aims to reduce its trade deficit (of USD 410 bio) with China by October, just as worst-ever heat wave is driving rush for imports of Chinese-made air conditioners. Air-conditioning ownership in Europe stands at 20% far below 90% in the U.S. While Beijing still appears to be the biggest threat, Europe 's dependence on US seems to have become of much greater concern.

EZ Mfg PMI at four-month low of 51.4. EZ Inflation fell to 2.8 % .Energy inflation fell from 10.8% to 8.7%. EURUSD bearish vibe prevails below 1.1449 for 1.1320.

China's dual economy- one side producing world-class technology and exports,(mfg sector closed out its strongest quarter since 2020 in June)the other marked by stagnant household incomes and fragile consumption is not a transitional imbalance awaiting self-correction. It is evolving as a structural design.

Burnham gives the impression that he sees state state ownership forming a part of the solution to Britain's economic woes. There used to be a weird notion that the Common wealth takes the cue from Britain insofar as economic modelling is concerned - whether this time it can happen ? The upmove in GBPUSD is slow in making.

NISA demand for USDJPY (cumulative demand for foreign and global equities in NISA accounts is about 40 trillion yen) is very strong and peaks in the first week of every calendar month. That said, BoJ typically intervenes in clustered bursts coinciding with holidays -

window is available today and tomorrow. Silence as a policy tool ?

RBI forward short position as on May end stands at USD 106.65 bn- the highest ever. This number probably must have spooked the sentiment - the Break past 94.80 tests 95.30 and sets up a trading range for now .