

This is not a traditional trade pact - the headline brings cheer but the real story is that Tariffs have evolved as secondary sanctions tool, applied through the trade policy rather than conventional banking systems or payment rails - this dominant narrative treats compliance as an on off switch - volatility would stay

From an economic perspective ,numbers should help rather than the sentiment : Merchandise exports to US at \$6.89 bio in Dec - 17% of India's total exports - app 2.2% of its GDP - only 12% of India's economy depends on exports of goods- logically an increase in imports if at all happens would only exacerbate the trade deficit dynamics.

On Oil Sourcing , It's not clear, how long the transition might take- Venezuela's oil infrastructure is dilapidated and requires about a decade of work -tens of billions of investment dollars to return it to 3mbpd output it had in 1999 - terms here are so vague that the outcome could be anything from major to nothing

On US politics, Partial US govt shutdown as funding bills for six federal agencies have yet to be signed into law -shutdowns have become far too common and tend to slow activity during funding lapse, and a rebound in subsequent months.

On US data, Jan Mfg PMI at 52.6 - first expansion read after year of contraction. Jan numbers always have history of overstating underlying momentum.Jan 2026 payroll data scheduled on Friday, will be released when federal funding resumes.

EU struggles to free itself from China for critical minerals and rare earths.Damning report by European Court of Auditors (ECA) in Luxembourg found that targets for 2030 were "out of reach".EURUSD breach of 1.1850 & 1 1828 (50% 1.1572 to 1.2084) marks significant shift .Initial support lies at the 50 EMA of 1.1737.

USD/CNH at 33-month low to near 6.9310 on seasonality.China's explicit reserve currency ambition: Classic case of "do what I say but don't do what I do": China keeps buying USDCNY to sustain export competitiveness. Then asks the rest to avoid Dollar .

UK mfg PMI rose to 51.8 in Jan from 50.6 in Dec, best since Aug 2024. Taylor and Dhingra are expected to vote for cutting rates. 1.3650 break to see 1.3465.

Takaichi yen comments still at the back of minds despite efforts to dilute impact. Survey shows ruling bloc could win more than 300 of 465 seats.Thursday Auction ¥700 bio -30-yJGB - hypersensitive tenor- could push USDJPY higher to obj 158.88.

USDINR opens with gap down on positive sentiment- a capital importing country is concerned with financial cycle rather than trade - financial dynamics remains the same despite the deal - moreso ,whether entire upmove in USDINR is on account of tariffs alone ? 90.25 90.75 .