The capital cycle of the 2010s deflated cost and produced very little growth but fuelled huge investor wealth . That capital cycle has certainly ended. Today's cycle is different. It's inflating costs (equipment & labor), driving growth, US exceptionalism & higher rates

Historically, returns in the fourth year have been modest, with S&P 500 delivering an average gain of just 1.5%.While that's still a possibility, the changing capital cycle points to a potentially different outcome as US continues to be sucking up world's investment capacity- $ 26.14 trillion net IIP validates that .

VIX & S&P 500 moved in same direction- far from uncommon as Volatility is non-directional and higher VIX can also mean big up moves, not just market crashes to the downside. It is in this context ,VVIX is useful as it tells how much uncertainty is priced around "fear itself." - its lower and hence there is no fear of heights in this market.

Legal hurdles -Supreme Court said it may issue opinions on Friday, which implies a ruling on the legality of Trump's use of emergency authority could come.Odds at 70/30 that tariffs are struck down so that's a good guide on what's priced in but the stakes are high

Political hurdles : Death of LaMalfa narrows the Republican margin to 218-213 - could be reduced even further as Democrats are expected to win another seat in Texas.Technically One-vote margin with Massie mostly against House Republican leadership.

The big question of our times is as to Whether Europe will treat this current moment as another temporary crisis, or as final warning that post-war assumptions on Energy and Defence have been nullified More importantly, after Venezuela, can Europe protect Greenland from the US ? 1.1680 break to signal atleast 1.1550

PBoC set a weaker daily fix and reiterated its intention to maintain an appropriately loose policy stance, including scope for RRR and rate cuts. Higher USDJPY to keep USDCNY grounded near 7.00

Beyond the mundane factors ,the buzz in street is about who controls Venezuela's gold reserves at BoE - legal case remains unresolved - there are murmurs Reeves sees a windfall . GBP/USD sedate.

30-year JGB yield at 3.52%- to be seen as
convergence towards fundamental reality rather than as a warning signal for the global govt bond segment. Weakening currency & rising yields in this cycle is a sign of fiscal dominance and it could be a virtuous cycle.Slower services growth points to cooling demand - Services PMI Business Activity Index slipped to 51.6. Above 156.43, test and break of 157.99.

Its inevitable at some point in time for everyone to realise the dynamics of this new global capital cycle and not to build mean reversion themes - Ahead of 13 Jan swap -which exacerbates fragile impulse-there is predictable selling intervention Swap bidders appear to await the same.