

It does happen that most of us nowadays look at what Nvidia did in previous night instead of seeing where US 10 year yield is - that shows macros hardly matter.

Otherwise no general trading themes - except looking for that elusive disinflation data (Friday's PCE) from US and awaiting the Election outcome from France. Not to forget ,there are apprehensions in Rates market as there is a significant UST issuance lined up in this week.

Consumer Confidence modestly lower within its narrow recent range-.a hesitant, but not overly concerned consumer - easy to guess what is stressing - cumulative rise in inflation over the past 4 years and nervousness about the labour market.

Richmond Fed's Mfg Index down to -10 in

June, (prev 0- exp +2) - high correlation with ISM mfg - hence mfg goes downhill again ?

About French politics : Markets have now priced two outcomes- far-right majority or hung - sentiment however shows signs of positivity, with OAT spreads narrowing on the back of moderating comments from Le Pen's party. However , fiscal challenges that France is facing are structural and it's difficult to see an election outcome that will help improve the fiscal picture.

Resistance at Monday's 1.0746 high & then last week's 1.0761 top- supports at Monday's 1.0686 low and then June 1.0667 base. EUR/CHF is proving a cleaner vehicle to hedge against election risk

Sustained Yen weakness continues to

inflict pain on CNY. Capital outflows as there is still no news on support to domestic consumption as markets feel export based growth model fatigued - USDCNY approaching the previous maximum pain level around 7.37.

Markets want a reason to move. Carlsbad-merger talk-GBP 3bn demand if merger goes through- keep an eye there. Election anxiety though though Labour poised for a historic win - UK opinion polls see Labour 23% ahead. Three days of higher highs & higher lows hint at nascent bid. Ranged 1.2670 -1.2720

Kanda reiterated that the govt is prepared to take appropriate action if excessive currency fluctuations have a negative impact on national economy. Read again and there are too many conditionalities -

unlikely to intervene at 160.00 this time.
Post June 30 French elections outcome,
Japanese investors who hold 8 % could
flee from OATS - likely to result in EURJPY
sell off - so keeping quiet till then.