

One busy week of central bank decisions but it would be impossible to shake Dollar from its ranges that it has held since June.

Ironically, Fed is flying blind in October after having been careful with a risk management cut only last month - risk Fed now misjudges where state of its dual mandate currently is - Shutdown leaves Fed in dark on labor market's true health & trajectory - who cares - Drumbeat of a rate cut as loud as it can get after CPI.

CPI was not so soft that Fed can sound all-clear on inflation. Highly probable Inflation to be sticky near 3% level through middle of next year, which makes additional rate cuts a more nuanced decision. However there is an increasing chance that the "low hire, low fire" economy might evolve into a "no hire, let's fire" economy.

A "fantastic deal" that Trump has pledged to strike with China would be dialling the clock back to Apr 1. Regardless of how the summit might go, prudent to expect China to stick with recently announced export controls on rare earths. Recall, in the initial phase, China reduced its vulnerability by reducing reliance on exports to US - it has remained offensive thereafter - any truce is fraught with obvious risk of being short-lived. Not to get too confident.

Daylight savings end - EZ politicians have been engaged in heated debate in wanting to abolish this. Quirk fact is while there is no agreement on this simple issue despite years of talk, markets expect them to emerge as alternative.

EZ composite flash PMI rose to 17-month high in Oct. ECB to stay unchanged for third consecutive meeting at 2.00% Concern is not economy but politics: Russia testing Burevestnik cruise missile. From raid on Louvre to Sarkozy in jail and Socialist party threats to bring down Lecornu's govt, one is tempted to think France in downward spiral. EUR shorts staty emboldened by fleeting rebound - 1.1649 caps

China's industrial profits up 21.6% - still fragile, flattered by base effect. Domestic demand subdued, investment contracting and labour market weakening - prompted Ex-PBOC adviser to call for 2008-style 16 trillion yuan stimulus to boost demand.

Rate cut bets & UK fiscal mess overwhelm any USD negatives you can think of - path of least resistance remains to downside till 1.3140.

Takaichi's ties to Abe get her off on right foot with Trump. Nikkei 225 broke 50,000 for the first time ever. BOJ can be seen as a Crouching Dove as well as Hidden Hawk. However Central bank expectations hardly play a part - 153.17 break to set up 155.20.

Nothing has changed in the price whereas sentiment is perceptibly softer - flurry of headlines on Deals & IPOs - hedgers back into usual slumber - organic and not so surprising inorganic forces now anchor the pair in 87.65- 88.15 range