

It is not so much about the absolute level of rates but about the speed at which they have moved and caused yield curve to steepen despite interventions of central banks . Unsettling for sure - atleast in FX

Equity world is different on Stimulus and stoic Fed led euphoria - Rates have no little relevance there .

No matter how dovish Powell may be, the reality is striking . 5Y 5Y US real yields turn positive . Ten-year TIPS at highest since Jul 10. US yield curve bear steepening . Ability to clear 1.43 % in 10 y yield is seen bullish for 1.95. **Today's** jobless claims and durable goods. 90.40 in USD index to be overcome for upmove for 91.73

ECB speak today and tomorrow to provide colour on Lagarde .U.S and German yields rising in tandem sofar - beyond a point, it

could be only US yields.1.2110 -1.2170

Russia added yuan as 15% constituent of National Wealth Fund. Biden to seek \$37 billion in funding to supercharge chip mfg in US (Chin feels the heat ?). USDCNY stays 6.4550 boxed within 21 and 50 dmas

Longest GBP rally in three years - now
Negatives crop up : Northern Ireland's
First minister ups ante in UK-EU trade
dispute. Sunak planning 'giveaway' budget
to inject UK with post-lockdown boom
limiting higher highs in the pound. 1.4303,
50% 2014-20 fall maj resist .Below 1.4176 ,
exp 1.3996.

USD/JPY ratchets up - broader upside obj
iat 107.32 - 161.8% Fibon Jan 102.595-
104.40 base -added credence due to 100%
Fibo at 106.22 matching Feb high.(10-year
Treasury-JGB yields spread.now at highest
since Feb 28, 2020 -- when the panic was

just beginning - forced USD/JPY down to 107.50)

Large inflow got done -rumours of an equally large outflow doing the rounds. Impact of Higher oil (is this any more a concern for Rupee ?) higher US yields and outflows wanes when seen through prism of carry - 72.35 -72.55. Close past 72.53 tomorrow to anchor the pair .

