

Biggest move was in oil which is down over 8%. These feast or famine moves tend to correct themselves fairly quickly nowadays and hence markets care little? Move did not have any catalyst except that growth is perceived to suffer on higher yields and probable slowing of housing.

Softer jobless claims and strong Philly Fed following pull backs in retail sales and IP show just how jagged it has been. Fed has done the dollar a favour by staying out of the bond market's way, unlike other central banks which are fighting rising yields.

Philly Fed much higher - talked of higher input and labor costs leading to higher consumer prices. With year ago inflation numbers rolling off the next few months should price also jump higher, the CPI can get ugly pretty fast.

Close above this week's 92.03 high would flip the focus to testing the pivotal 200-dma at 92.70. Above there, last March's low, September's high, Fibo and weekly cloud base are the targets in mid-94.00s.

Treasury-Bund yields spread widened 6bp & up roughly 50bp this year. Paris lock down and **AstraZeneca rollout** . **Chip shortage impacts German mfg.** Post Fed rise short of 38.2% Fib 1.2244-1.1836 . Weak for 1.1600 with stop at 1.2045.

Rising U.S.-China tensions as both bicker in Alaska. But impact on yuan minimal due to lack of specifics . 6.5230 weekly close in USDCNY to trigger 6.6500 test .

GfK Consumer Confidence for Feb -16 (exp -20, prev -23). Its a 1 year high. Vaccine rollout helps . BoE unchanged - BoE shows little concern with recent rise in gilt yields -

1.3780-1.4010 as exp- little sign of a trend.

All eyes on BOJ today. Organised leaks (?)
- yields to fluctuate more to breathe life
back to a market made dormant by its
dominance - Week's 109.365 high well-
defended for fourth session- working off
Jan-Feb's breakneck rally. Obj 109.56,
76.4% Mar/Jan fall.

USDINR held 72.40 support and reluctant
upmove - signs of basing amidst global
risk off . FTSE rebal flows expected . Range
72.55 72.85. Weekly Close past 72.78 to
be seen positive for next week.

