

**The tail is wagging the dog as crypto rout sparks a broad flight to quality - plunge in bitcoin, did stall right at the \$30,000- bids were waiting against the level ? Lesson is that nothing in the world moves in straight line forever, not even crypto.**

Today, More bear pressure on China's cabinet comments to curb "unreasonable" rise in commodity prices, and prevent the pass-through to the consumer.

FOMC minutes hinted at greater concern on inflation than expected- "number" of Fed officials appeared ready to consider changes to monetary policy based on a continued strong economic recovery. Jackson Hole theme has been rekindled. Powell to talk about it there, actual taper to come later is the current "hot take".

**U.S. Treasury auctioned off \$27 billion of**

**20 year bond at a high yield of 2.286%** -Not the best of auctions with main numbers worse than the 6 month average. USD index 89.78 held . Exp 90.70 again

As expected, EUR/USD falters at Feb peak of 1.22435 (high of 1.2245). 1.2160 low as 10y Bund-Treasury yield spreads fell. Luis de Guindos repeated his call for erring on the side of caution - hints won't slow PEPP pace. Next support at 1.2153.

Its all about China in the markets- tremors follow their comments- Psych barrier at 6.4000 may not be tested again. China keeps 1-yr LPR unchanged for 13th straight month .Upmove on 6.4350 break

UK's inflation has doubled at a time the pound is pushing upper limits of its long-term range. Long-term ranges are rarely broken as it requires significant shift in fundamentals. Potential harami, inside real

body candle - reversal warning. Fibos off recent 1.4008-1.4220 at 1.4139-1.4114, 38.2% and 50%..Break to see 1.3917.

**Japan to end its 1% GDP cap on defence spending - "must increase our defense capabilities at a radically different pace"**

Slew of Positive data today .Break below trendline did not yield a close - spot above 109.17 descending 100 hma.Need a close above May's 109.785 high or Apr 108.34 low for a break. Bet on upside .

The argument made for vulnerability of currency in the context of spiraling Inflation & inability to sustain structural range break in the absence of fundamental support rhymes here too . 73.15 73.45