

Market sentiment depressed on covid woes and mixed Fed speak ahead of US NFP. Light calendar keeps markets at bay, quarter-end adds to filters. However, lower US yields did help to push stocks higher with continued rotation into big cap tech.

Dallas Fed mfg index, to 31.1 versus 36.8 exp and 34.9 prior - signs of fatigue ?

Fed speak : Barkin expects inflation to ease back toward the normal levels over time.

Quarles sees no need to see participation return to pre-covid levels because of baby boomer retirements.

ECB speak with a positive undertone but markets not impressed .Weidmann wants to discuss conditions for policy shift.

ECB's DeGuindos says economic outlook is brightening - but concerns that the delta variant of Covid could spread through Europe in summer.EU-Belarus relations

deteriorate post Ryanair. EUR/USD hits 4-session low, drops to 1.19025 -then bounces. June 18 daily low and 76.4% Fib of 1.1704-1.2266 are key supports, break of which could lead to test of 1.1600.

PBOC says will be flexible with monetary policy -Recent reverse repo injections suggest PBOC opening the spigot. It says will allow more yuan movement within balanced range. USDCNY still looks biased for upside test of 6.55 above 6.4500.

Javid & Boris expect 'freedom day' to be a reality on Jul 19. Markets cheered but reality asserted soon. Trending deginitivev bearish set up -stands capped repeatedly at 10 dma -now at 1.3909 - pivotal resistance. Downtrend targets test of 1.3756, 61.8% of 2021 rise

Apr retail sales -0.4% (prev -4.5%). May unemployment 3% vs exp 2.9%. Massive

size option strikes will work to keep USD/JPY in a core 110.50-111.00 or tad wider 110.00-111.50 range until payroll

Objective centres around keeping markets bereft of volatility in the guise of ensuring stability .Outstretched over reach does more harm -chokes the arteries as well as any positive growth impulse. Yields anchored at 6.00 & exchange rate now stationed at 74.20.Quarterly close above 74.40 to augur for upside till 75.50 in July-Sept.