

Cautiously optimistic & patient Fed takes a tiny step toward eventual tapering of its asset purchases by altering the language in statement - believes price pressure to fade - keeps jobs in focus. Markets knows return of jobs unlikely in the near future - so the "make believe" narrative continues - rhetoric to shift from "transitory" inflation to transient ?

Peak growth just passed off for sure - it can't get better than this - nearly 85% of S&P companies have beaten earnings estimates so far- blended earnings growth rate at 74.2% y/y will mark the highest earnings growth in more than a decade. Fed achieved its implicit KRA ?

Procedural voting on Biden's infrastructure spending plan but a bumpy road to final passage - uncertainly over the budget limit

challenges optimism. **Preliminary readings on the US Q2 GDP will be the key to watch going forward..**

USD index close below the 92.54 21 DMA, which supported the uptrend - negative signal. A test of 38.2% of the May-July rise at 91.79 more likely before uptrend asserts.

ECB meeting accounts today to show the divide in the house .EUR/USD in broader 1.1750/1.1900 range - likely to hold until risks from July payroll and Jackson Hole are taken into account.

Meeting between China's regulator & global investment banks helps Chinese stocks and retail armies invade. But gains may be fleeting as buoyancy of USD/CNH suggests doubt lingers over holding on to Chinese assets. Upside till 6.5875 looms

UK car output up a third after slump - warns of chip shortage. Bullish setup saw a fresh high for this bounce, with further gains viable. 1.3911 50% of the June-July fall gave way in Asia - targets 1.3991 61.8%.

Spike in infections adds to worries about Games. Medical adviser : Biggest crisis is that society does not share sense of risk- Surging Virus spells trouble for Suga. Key is 109.57- 50% Fib by 100 dma & Tues low -as it holds expect 110.40.

June Crude imports slide to 15.90mmt- eight month low post Reopen- drop 7.8% m/m - Rupee bulls to cheer- conservative opinion to fret on growth signal- Broad range 74.30 74.80 still expected to hold