

Friday 13th was all about Michigan miss - stunning loss in confidence .Just can't brush it aside as the enormity is striking . The entire narrative of global growth undone with this one print ..

To put this decline in context, there was such a plunge at the start of Covid shut down in Apr 2020 from 95.9 to 71.0. Back during GFC, there was another big fall from 73.1 to 57.5. This is the third largest one month fall from 81.2 in July to 70.2 in August.

In fact it fell to the lowest level since 2011 even surpassing the low from Covid .The declines were across all incomes, age, education subgroups and regions. .As the concerns over recovery emerge, Powell speech and Retail sales tomorrow and FOMC minutes - Day after - assume significance.

USD index has probed the 10-, 21- and 30 dmas in 92.54-59 range. 50% Fibon support at 92.485-50 is more pivotal. If these levels are violated, the 93.19 double-top will look more durable, particularly if tomorrow's retail sales are even weaker than the 0.3% m/m exp drop.

On Geopolitics, Afghanistan is a human tragedy and an embarrassment for US and the coalition that fought for two decades but it may not move needle in markets in any way.

EUR/USD breaks 1.1770 resistance and accelerates, 10- & 21-dmas get pierced. Short squeeze would fizzle out at 1.1833. If both China and US do not do well, how is that Europe can do well ..?

USD/CNH retreated away from 200 dma -delaying rally. Speculation over China

policy easing may support a bigger rise.

After the Friday's early dip to 2-week lows, sub-1.38 , the range continues to prevail 1.3780 1.3910 .However Apprehensions over Brexit failures and worsening virus conditions in UK challenge GBP.UK August Rightmove house prices -0.3% m/m vs +0.7% prior - here too faltering recovery .

From 110.46, USD/JPY off to 109.39 now.
- well below 38.2% and 50% Fib of August's 1.9% Fed-led rebound. If Fed taper appetite fades and retail sales miss, 108.725 Aug low to be the obj.