

Modest risk averse tone has seeped in- waning optimism on U.S. consumer sentiment collapse, Empire miss a trend, Softer Chinese data , Delta variant & meltdown in Afghanistan . But nothing matters for dip buyers so long as rates are ultra-low, Central banks feasting on bonds and fiscal taps remain open.

Empire State index on current business conditions fell around 25 points to 18.3. After Michigan imploded last Friday, this print heightens concerns .Possibly today is the day of reckoning : Retail sales (Exp 0.2% m/m drop- but rumours of significant miss), IP & Powell's comments ahead of Jackson Hole.

Rosengren appeared to be reading out the script prepared before Michigan miss : says another strong jobs could support

Sept taper. Dollar index - neutral setup - range trading more likely 92.50 - 93.20.

EUR USD -battle of Fibos: Yesterday's 1767 low: 38.2% Fib last week's 1.1704-1.18045 rebound. Upside contained at 50% Fibo of Jul-Aug 1.1909-1704 drop at 1.18075. Break of downside fibo likely for 1.1704 .

USDCNH - robust price action a warning; at odds with lower US yields- **strongest intraday gains in a week.** Mild risk aversion as SSEC wobbles & social media enters spotlight. China lays out rules against tech monopolies -signals strong enforcement ahead for internet sector firms. Close past 6.4913 would break 200 dma- engage uptrend channel

Today UK jobs data, unemployment exp 4.8%. Downside bias strong while 1.3880 Aug trend line caps - obj 1.3778/1.3783, 50% of July bounce & 200dma. Significant

downside till 1.3350 developing.

Pullback from last week's 110.80 high extends .Nikkei +0.17% -strong earnings - but risk off in the wider markets .July and May lows at 108.725/8.34 to be tested if retail sales miss.

USDINR 'cheer' WPI 'easing' to 11.16%/y/y from 12.07% prev.However downside limited on global jitters - expectancy mood of the next 'big flow' tad too soon- 74.20 74.40 for now .