

The old saying goes: Don't wear white after Labor day. However markets may choose to wear red as it has grown antsy -292 calendar days without a decline of 5% or more - three times average since WW II.

There is this newly developed tendency of risk to see the bottom on 19th day of each calendar month - next two weeks may be tough for the speculative economy - for academic interest, dominant concerns centre around global growth - delta that extends well beyond US. - Pretty defensive undertone in store ?

With U.S. inflation in focus, this week's PPI may get more attention than usual. JOLT matters a lot in this cycle- **Packed agenda of Fed speakers- hardly matters-foregone conclusion that any hawkish hint would be ignored & dovish tilt picked up with glee.**

USD index : Key at 92.129 -38.2% retrace 89.533 to 93.734 (May to August) rise - to stay in tact that - however a break would unmask the 91.634 -50% Fibo.

Key EZ data this week includes German ZEW, Indl orders and output, trade & EZ Q2 GDP. ECB meeting to grapple with 10-year high in inflation this week. Possible SDP election victory- 1.1909 Jul high caps- tough to cross - likely 1.1816 break for 1.1700 1.1900 range

The recent run of relatively weak Chinese data has created uncertainty - recovery slowing .USDCNY downside limited with 6.4500 resilient .Talk of PBOC easing; Aug trade data due tomorrow.

UK data includes July GDP, IP and trade. Battle with Covid continues with cases up 2.4% last week. However tensions with

EU in focus. UK - 'cold mistrust' if EU does not move on N.Ireland trade - refuses to fully implement the Brexit deal. Thursday's 1.3782 21 dma break changed the bias . Ability to hold 1.3818 to decide direction.

Japanese data this week includes trade, current account, Q2 GDP & household spending. Range 109.50 110.50 - downside limited on JPY cross buoyancy. MXN/JPY & TRY/JPY stand-outs. Retail frenzy- 109.65 109.85

USDINR : No meaningful bounce still after 1.7% drop. Consolidation 72.95 -73.15 set to persist. Last week's close below 100 WMA indicates directionality setting in- another such successive weekly close to bolster the case.