

There is clear evidence that the market is living by its seasonal expectations and hence transition from Summer doldrums to active fall trade continues.

Fed blackout period this week ahead of next week's FOMC meeting . Last week, most Fed officials sounded as if they are looking through the weak August jobs report and still want to taper this year. Today's CPI to bolster their conviction

NY Fed survey on consumer inflation expectations hit an all-time high in the series . In an effort to blunt the rootcause of inflation, **US discussed the shortage of semiconductor shortage with Korea - both** are certain of increased supply chain resilience

OPEC expects global oil demand to exceed pre-pandemic levels in 2022. Bank of

America is out saying that they could see \$100 a barrel.

Immediately the concerns centre around US gulf coast. With US oil output still under pressure on account of the damage done by Hurricane Ida, Tropical Storm Nicholas has been upgraded to Hurricane Nicholas. It is expected to make landfall on the Texas coast imminently .

ECB's Schnabel : inflation will noticeably decline as soon as next year. EURUSD resting near 61.8% zone - will be positive if it can get above 38.2% near 1.1845.

Downside in USDCNH limited as **China's Evergrande rings further warning bells** . Reported request to US to change 'Taipei Economic and Cultural Representative Office' to 'Taiwan Representative Office' draws rebuke from China .

UK Brexit Minister Lord Frost warned European Commission on the suspension of Northern Ireland protocol if they do not take renegotiation seriously. UK labour market report is expected to show firmer wages. Below 1.3891, GBP USD stays bearish.

Optimism in the political front after Taro Kono formally announced his candidature to lead LDP. - this is bullish USDJPY as Fiscal expansion is set to be very strong. USDJPY sustains recent build-up in upside momentum. 110.40 break for 111.80.

USDINR well anchored at 73.50 - higher oil tentatively making an impact. No rational - yet strange dynamics - USDINR seems to track USDJPY - 73.55 - 73.85 should work.