

Once any strategy in complex adaptive systems like markets becomes infallible, it's often a sign that it's about to stop working. Price action in US equities over the past few sessions suggests that "buy the dip" strategy is almost past the expiry date .Potential trend change emerging in the coming week or so ..

Will Fed let that happen ? If Fed doesn't slow pace of bond purchases, its balance sheet will be at \$9 trillion by year end. In the past three months, holdings expanded by \$384 billion, to \$8.45 trillion - bubble is becoming bigger for sure but who cares ?

Retail sales at 0.7% vs exp -0.8%. Control group much stronger at 2.5% Philadelphia mfg index at 30.7 (exp 18.8). Coupled with strong empire state, solid bounce. UMich consumer sentiment today : recall markets panicked on a bad number in Aug but retail

sales in Aug pretty strong -Disconnect between sentiment & spending.USD Index : Test and break of 93.20 by weekly close .

ECB came out to refute FT article which talked about ECB hitting inflation target of 2% by 2025. (Appears to be an off the cuff remark by Philip Lane). Urgency with which ECB reacts to this innocuous news speaks volumes of their apprehensions of market pricing a rate hike even two years down the line .Old support 1.1750 to break for 1.1604 .

Evergrande crisis reverberates throughout the Chinese economy. Iron ore is on the rocks .China easing to happen for sure this weekend ? . USDCNY downside limited - back above 6.4500 to see 6.55 test

GBPUSD evolving on expected lines .The trend line is like a brick wall - attempts to break 1.3891 - failure yet again.Below

1.3780, downmove unfolds for 1.3660.

Favourite seems to be clearly emerging. Taro Kono is out in front, well ahead of ex-LDP policy chief Kishida. Above 110.17 to see the 'outside day' negated for a move back to 110.40.

Selling equity and buying oil has been the country's business model over the last two decades . Brent to gather strength till \$ 83.00 - instills fear of God if not anything else. USDINR to stay anchored at 73.50 and try scaling back towards 73.85 .