

The speed and intensity of the energy crisis is stunning. Both UK NBP and Dutch TTF natural gas benchmarks have closed the day at their highest ever settlement level, up ~11% on the day (to a closing price equal to more than \$26 per mBtu).

With the energy issues popping up around the world, supply chain bottlenecks now seem to be getting worse. Upward price pressures persist, while the definition of “transitory” is getting stretched out.

Yellen pushed Congress to swiftly address the debt limit issue - however **US Senate will block the government funding bill, as expected**

Fed speakers reiterate what is known but the markets see that as hawkish .Kaplan & Rosengren quitting -two hawkish dots out Powell and Yellen before Senate today.

Durable goods firm at 1.8%. However, ex transportation, weak at 0.2%. Dollar index gains till 94.40 in making .93.20 solid now.

Lagarde's dovish tilt did little to provide any respite. Underplays energy inflation. Deeper decline till 1.1604 on cards .

China Industrial Profits for Aug +10.1% y/y (prior +16.4% y/y). Rising input costs are negatively impacting . Surging commodity prices, semiconductor shortage and now power shortages . Evergrande - no news is good news day again. USDCNH base formation at 6.4500 getting completed .

BOE's Bailey cites growth fears, hints that a rate hike will precede tapering. Optics of Gas crisis and Driver shortage getting tougher. Eventual move below 1.3571 should resolve the range lower for deeper decline till 1.3189 . For now 1.3720 to resist

USDJPY on its route to 111.80 with 110.17 at a distance .Hawkish repricing further out the curve that should see more upside for the pair.

Predictable repetitive moves in USDINR - Opens higher and tests 73.60 and bounces back to 73.80 zone at close. Far too confident or complacent Indian markets dismiss Global energy crisis almost similar to the pandemic in Feb 2020 (It can't hit us) Break of upside resistance 73.85 to see eventual upside test of 74.30.