Expectation of an accelerated bullish view of risk markets as well as the amplified threat of a sentiment reversal have both sofar fallen far short of any meaningful traction that markets have been seeking.

In this context, Global Energy Crunch - almost on the lines of pandemic 2020 - is emerging as a key challenge to all the assumptions. Resultant supply chain disruptions and risk of not so transitory inflation should keep markets concerned more than any cosmetic normalisation.

Fed speak and Fed "trade" : As Clarida's trading activity was being talked about , Mester said that she expects inflation to remain above 2% next year and the year after -Harker was equally hawkish and was apprehensive about the absence of any immediate resolution for supply chain disruptions.

After kicking can down the road until 3 Dec for a government shutdown, Congress now must deal with the impending debt ceiling and a vote on infrastructure bill. ISM mfg 61.1% led by supplier deliveries. Michigan sentiment 72.8. USD index firm for 94.88

Friday's upbeat EZ PMIs ,Inflation and a M&A flow help EUR/USD recover off yearly low. Writing on the wall - expect 1.1478- more than even chance of 1.0500 on break

It is indeed comfortable to have holiday when multiple issues rock- Evergrande (trading suspended in HK - take over by Hopson ?) power crunch engulfing and there has been heavy military movement in Taiwan with nearly100 planes. USDCNH stable bottom at 6.4500 .

Cable tad optimistic - hits 1.3565.Mfg PMI at 57.1 in Sept. Energy crisis expected to

last till 2022 - economic impact is almost equivalent if not more than pandemic . As 1.3570 resists expect 1.3180 atleast .

Kishida will set Oct 31 as date for General Election.**Japan LDP big gun says Japan to compile large extra budget immediately after the election. USDJPY well supported at 110.80 and now 112.20 beckons**

Despite being a currency that remains impervious to fundamentals, inherent pressure continues to build - possibly might explode when the strength of the complacent is broken. Usually optimistic crowds would pass off the trade deficit print as an aberration and "strategic"- the crux of the issue is that the over valued currency shows up in trade deficit . 74.10 74.40