

New found wisdom in the post pandemic era - inspired by Central banks- is that all issues with negative connotations are transitory- except central banks' financing fiscal policies & rallying equity markets. Are the markets nearing the threshold to realizing conventional wisdom that there are issues which are not so transitory in nature?

A month ago, mention of brewing energy crisis would have brought a dismissive smile - now whole world concerned - is that the sign of a peak in crisis ? - not necessarily- End of US shale hyper-growth is a watershed event for the energy sector, - it will be rivaled by exhaustion of OPEC spare capacity in 2H'22. Hence \$ 100 Oil looks not so transitory

Interesting debate in US - McConnell asks Biden to make debt ceiling a Democratic

decision as there would be no support from Republicans. Biden hits back saying debt limit is for paying past debt - issue is certainly transitory.

There has been a continuing trickle of bad news out of the Chinese property sector with reports of more payments missed at least one "default-like" process. (Fantasia didn't repay \$205.7 million bond). However China was busy flying 56 (!) fighter planes toward Taiwan yesterday in largest show of force on record. Nationalism -the only easy way out to resolve the financial mess !

As gas prices keep on breaking records and shortages across Europe become ever more worrying. Nervousness is likely to persist throughout winter. Hence **EUR/USD struggles to extend rebound - 1.1580 1.1630 range till Payroll.**

**An era where Currencies move depending**

on how you fill your tanks -availability of Gasoline in week end forced GBP shorts to cover - got this wrong as it broke above 1.3570 -Still triangle pattern is valid below 1.3620 to restart down trend .

Higher US yields - USDJPY softer .New Economy minister Yamagiwa says he is planning to reveal an economic package by the end of this year. 110.80 holds well and still upside for 112.20 .

Reuters story in the week end catches the attention of global markets & offshore reacts to that . (More than half of India's 135 coal plants will run out of fuel in less than three days) - onshore to care less though . Brent well past \$ 80 - no more transitory bump - 74.50 74.80.