

Durable trend at the moment is in energy  
For the records, TTF hits new record high  
€119 - it was at € 4 per MWh in May 20.  
(even penny stocks have multiplied at the  
same pace since then - what a big deal ?)  
The best reason to stay energy bullish is  
that markets literally don't believe what  
they see -continue to stay dismissive .

Modest estimate is that energy crisis can  
leave up to 25 % of companies in Europe  
in bankruptcy—since energy is 33 % of  
their costs—and erode up to 2 % of EZ  
growth - But Lagarde plays it down and  
sets the tone for other central banks : "We  
should not overreact to rising energy  
prices as our monetary policy cannot  
directly affect these.

There used to be a saying in old times that  
monetary policy tightening cycles start in

East and spread into West. It looks highly likely that this pattern might play out in this new world too. **RBNZ hikes cash rate by 0.25%**- signalled that further removal of monetary policy stimulus is expected over time, contingent on medium-term outlook for inflation and employment.

ISM services rose to 61.9 from 61.7 with business activity, new orders and prices paid rising . ISM prices paid composite points to 4%+ U.S CPI. ADP- (random number ?) is a hit and miss guide for NFP - USD index stays firm - Expect 95.50 .

EUR USD support at 1.1587 - beneath which should clear the way for a move back to the lows from the end of last week at 1.1562, then first core objective 1.1478.

Chinese USD junk bond yields almost 16%, complicating refinancing for property sector. 6.4500 holds sofar in USDCNH.

GBP gets a boost on Reports of policy to lift minimum wages in a few weeks- likely to boost the pay of the lowest earners to about £9.42 an hour. But the negatives include simmering fuel crisis & escalating post-Brexit tensions with France. 1.3620 is key and as it holds, can see it being weak.

**Kuroda says Japan's economy has picked up.** At last, there is one pair which goes as per script . Obj 112.20 - a break there sets up 114.55 .

USDINR could not sustain the gap up open and closed it precisely. Rating news not a game changer .Offshore appears worried whereas onshore less concerned. 74.50  
74.80