

Central banks have asymmetric bias in monetary policy settings. Their broader plan has hinged on Money printing which has never resulted in value creation in any era. - it's inflationary in nature- this basic premise is being reflected in all financial markets

Energy crisis spills over to commodities -high energy prices have forced smelters to reduce output, sparking shortage . The back drop is not so convincing for being labeled as Transitory.

It is therefore not surprising to see US inflation expectations hitting Mar 2013 high and Treasury auctioning off \$24 billion 20 year notes at 2.10%.- higher US yields as a result of higher issuance and inflation is gradually becoming the most accepted story of Q4 .

Beige Book : Majority of districts indicated positive growth, with most districts report reporting significantly elevated prices.- there has been a modest mean reversion in the Dollar index 93.43 93.73 for now .

Lagarde regrets Wedimann's resignation - good riddance is what her mind says ? Doves now have full throttle but Wunsch was vocal to say 'Expansionary policy has negative side effects that increase over time'. Further upside hinges on 1.1670 breakout . Still upside limited.

PBOC says that it would be monitoring financial risks & providing support- such statements are usual- particularly strident this time - is it because of the context of meeting of China's top leaders - Central Committee plenum from 8 Nov to 11 Nov. Optics management - Correlate with inexplicable spell of recent CNY

strength.6.4500 is far too distant .

France & UK are mired in fishing dispute.
France could announce possible retaliatory measures by the end of the week.*Several types of sanctions that are possible: energy prices, access to (French) ports, tariffs issues. Gas crunch is impacting every sector - however BOE is leaning to tightening-* GBPUSD has been up about 430 pips in the last 16 trading days - top to be confirmed on break below 1.3770.

Japan election October 31 - Nikkei polling shows a very tight contest.Hagiuda warns of electricity supply crunch this winter.
USD weakness vs oil strength holds the pair in ranges below key 114.55. Buy dips always works here

USDINR makes a surprise break below 75.00 . Striking similarities with USDJPY -USD weakness versus Oil strength-

**upmove in Oil well entrenched - does not
look as transitory as the markets assume
Corrective down move should stall at
74.80**