

It is possibly one of the more important FED tonight. Size of taper at 15 bio (10bio bonds and 5 MBS) well telegraphed .No surprises for sure . Pace of taper and lift off are the two key factors to watch out.

In case of Taper start in Dec i/o Nov., small USD dip possible.Should we see a hint of Taper to possibly finish ahead of time ,Dollar to stay strong. If FED waters down “transitory” that is USD bullish.... If they would leave it out ,it would be a strong USD buy signal.

Markets barely moved from pricing hikes for Q1 2023 towards Dec 2022 during last FOMC .Hence July 2022 lift off as of now is a quite steep slope - so it squarely depends on how Powell takes that & whether he pushes back market pricing.

Ahead of Fed, US Inflation expectations rebound from three-week low . Biden says he will be making Fed nominations 'fairly quickly'. Powell leads Brainard 68-29 on PredictIt. Ahead of nominations, Fed to stay prudent & keep narrative less noisy

OPEC+ meeting on Thursday. additional supply increase appears unlikely.(OPEC had already undershot planned rise of 254,000 bpd achieving a rise of just 190,000). Deutsche Bank survey shows 59% expect the oil price to hit \$100/bbl before it falls to \$60 (27% expect price to hit \$60 before \$100 & 13% were unsure).

Downbeat PMIs weighed & Receding chatters over the ECB's tighter monetary policy. Upside beyond 1.1600 could not sustain .EUR/USD is gearing up for breaking the yearly bottom 1.1525.

Markets rethink over BOE rate hike calls, UK prints highest virus-led death toll since Feb. Johnson downplayed the significance of a rift between the U.K. and France over fishing . The downside has opened up on GBPUSD and 1.3411 beckons .

Japanese markets are closed today as the country celebrates Culture Day. **USD/JPY bounces off intraday low, prints lackluster day .USD JPY** seesaws inside a three-week-old symmetrical triangle between 113.35 and 114.40. Upside to open up sooner.

Markets care little about the trade deficit and oil as they are busy front running IPO flows - hence aberrations. Buying the dip is the theme but how deep the dip could go is the moot question. 74.55 to hold even in this backdrop .