

During euphoric manias ,craziest ideas always generate the largest alpha and the markets attribute strength in prices to the evolving fundamentals (Tulip mania, Tesla, Indian new age tech) - thereafter the markets realise the folly .The first two phases are now almost closer to being mature & likelihood of markets realizing the mistake is set to begin.

Headline US CPI y/y 6.2%. Historically, transitory or otherwise inflation prints of this magnitude have always resulted in a recession. Only the day before, Yellen sounded "prophetic" 1970s style inflation won't be the case this time .

At the same time, the markets price higher probability of Fed tightening as well. How much longer can Fed deny inflation and

argue its just a passing phase? Odds of Brainard as Fed chair going up after this CPI print- Biden finds an excuse in inflation to replace Powell ? - Structurally, Brainard can't be so dovish as Powell

Slow growth & high inflation - cocktail for USD strength. Potential ripples from risk aversion that would come with inflation trouble and hurried rate hikes. Intermediate rates should rise faster than short-end or long-end rates. USD index: 96.60 coming . Veteran's day holiday in US -seasonal weakness till Thanksgiving.

After all back and forth trading, EURUSD breaks 1.1500. More than USD positives, the confluence of EUR negatives makes it tough for Euro. Besides the usual factors , there is one emerging on “French Trump”, Éric Zemmour. 1.1478 break is negative in the big picture .Could even be 1.0700

Markets will come on their own from tomorrow for sure . Spreading contagion in China's residential property market.CNY can't stay here for long . 6.45 next.

UK & EU look far from reaching a post-Brexit deal on NI.UK might unilaterally suspend parts of Protocol.Dec rate hike in these circumstances would definitely complicate - First obj 1.3430 hit . Stay short for 1.3232 next.

Japan Oct PPI +1.2% m/m (exp +0.4%)- 40 year high - weak yen on cost pressure blamed - break above 113.30 bolstered the base case yen weakness . 114.55 key on upside .

USDINR along expected lines and almost did 74.46. No prizes for guessing which direction it is set to take . It's just not only oil alone - overvalued currency driving

imports higher . 74.75 next .