

We are in the midst of one of those macro moves that comes once or twice in a year. Denial phase appears to be ending as the capitulation begins .

Dollar index is up four the last five trading days .Next obj 96.094 which is 50% retrace of move down from Mar 2020 high which may bring hesitancy - 96.60 ideal target before back and forth moves .

Retail sales has been up for three consecutive months- while higher prices played a role, consumers not discouraged by price hikes to spend more. As stated previously inflation dents sentiment but not consumption mainly on account of wealth effect. **NAHB housing market index 83 - up for third month in a row.**

Biden's " imminent" (Four days) is almost like Powell's "transitory"- decision on Fed

chair takes longer - delay however puts
Brainard ahead -

Europe gas prices are on rise as Germany
“temporarily suspends” certification of the
Nord Stream 2 pipeline. Long winter ahead
1.1286 obj almost done .Pause before
extension of down trend .

Biden-Xi talks- no excitement -Transitory
break in 7 year uptrend in USDCNY just for
this meeting? End result is **blame game** -
Raimondo : China not living up to its
commitments in phase one deal. Higher
close at 6.4150 today needed to avert a
structural breakdown .

Better than expected jobs report- addition
of 247K in Aug up from 235K. Although
conservatives fret , there is probability of
BOE hike in Dec. Complex headlines over
Brexit keep fears of a hard Brexit on the
table .**Friday’s Frost- Sefcovic meeting will**

be key.CPI today .1.3232 first obj.

USD/JPY traded to its highest level in over 3-years.**Japan Core Machinery Orders- a broad indication for global capex- was a big miss - 0.0% m/m (exp 1.8%).**Mixed trade numbers and ongoing talks over US steel & aluminium tariffs.114.45 break gave impetus - 117.70 next ?

USDINR remains subdued- patience is key in 74.30 74.80 range .