

Buck does stop with Biden- he appears shaken by nflation- Tomorrow, Biden will deliver remarks on 'the economy and lowering prices for the American people'. Perhaps an announcement on his choice for Fed Chair as well. Brainard appears well ahead.

Hawkish slant in Fed speak: Dollar to the highest level since Mar 2020 & to the 50% midpoint of the move down from Mar 2020 high.96.60 objective within reach now.

Helping yields move lower was the tumble in crude oil prices which is only one piece of inflation story - SPR release -obviously a political ploy - keeps pressure on prices although it can't sustain - Kishida confirms considering an oil reserve release.Yomiuri Shimbun (Japanese media) states that Japan & US may issue a joint statement

Persistent CHF strength is what should be the focus - EURCHF brok below 1.0500 for first time since July 2015 – not even at the worst point of turmoil last year. Now CHF surge is set to continue till parity even if SNB shows itself. Hence the only buyer in the world can't hold EURUSD here for long
Number of ECB speakers today -after Lagarde and Esnabel, they may not choose to say anything different - Austria sets ball rolling on lockdowns - Deeper inroads into 1.1100

China keeps its 1-year loan prime rate unchanged at 3.85%. Over the weekend there had been some news indicating that China was seeking to take strength from the currency, or at least slow its gains. Hopefully 6.4150 by close I'm a day or two.

Bailey says there is a “two-sided” debate over inflation - 'Proximate cause is on the

supply side, and monetary policy isn't going to solve those directly- It doesn't get more gas, more computer chips, more lorry drivers' 'Brexit issues daunting as well. Expect break of 1.3420 for 1.3232 .

Friday's sell-off to weekly lows of 113.58 spooked . Now USDJPY recaptures the critical horizontal 21dma at 113.89. With a major base in place, clear and sustained break above 114.70/92 to see 117.01.

Long weekend looked like a never ending one with so much of news flow in the domestic front. Weekly close was tad below 74.30 but still good enough to help another test of 74.55.