

Markets have been trying to figure out if they should be worried about omicron or inflation. In case the market continues to climb the wall of worry post US CPI & FOMC, there could be a solid risk upmove into the year-end.

Biden administration signals Fri inflation data could be high - above 7%? - (**Nasdaq price action predicts a bad number**) - a painful threshold to trigger faster Fed taper next week.

**Jobless claims 184K vs 215K exp** Two weeks ago, 194K reading was the lowest since 1969 - this has beaten that. Second tier data assertive- **Wholesale sales +2.2% vs +1.0% exp**- inventory buildup is growth accretive- Atlanta Fed tracker shows strong USQ4 growth 8.7%.

**Like it or not, got to admit this phenomenal**

growth makes US the cleanest dirty shirt in the town - USD index to go past 97 with ease. However this is the time of the year that all research (?) Houses could be religiously publishing their usual stories of dollar weakness for one more year .

Cautious ECB & vigilant Fed and hence EURUSD to stay under pressure. ECB next week- it's all about what they will do with its pre-pandemic APP to make up for the sudden drop off in monthly QE purchases when PEPP ends in March. 1.1260 1.1360 -could see a fresh CY low on 1.1260 break

PBoC saw what can happen in case of 6.35 break on weekly close - swung into action-but pretty hard to see similar upmove on the lines of June 21.

EZ-UK rate convergence trades loose momentum as ECB rates seen steady through Dec 2022. Tight 1.3195-1.3225

range- Down trend in tact.Obj : key 1.2832  
50% Fibo 1.1413-1.4250 2020-21 climb

**Japan November PPI +0.6% m/m (vs. exp 0.3%) & +9.0% y/y (exp 8.5%). Expected range held sofar .Bias is for a run towards the previous high near 115.50.**

USDINR to print new CY high -steady grind higher -support bolstered at 75.40.Hurdles lined at at every step of the ladder beyond 75.65.