

String of positive pandemic updates amidst Strong set of US data - howsoever backward looking , data sends positive feel- Omicron anxiety peaks - this virus doesn't seem to matter till the next variant arrives - wave of optimism Treasury yield curve flattens and stocks extend rebound.

US grew 2.3% in July to Sep : upward revision from 2.0%. Existing homes sales rose 1.9% in Nov. Conference Board's confidence index rose to 115.8.

Crude inventory draw -another key data - although it's technical - draws happen at hastened pace in last fortnight to window dress for Tax assessment on 31 Dec. But big picture is Oil bullish - Until global oil demand sees a structural decline—not just a pandemic-induced crash—the world will need supply .The current gas crunch and

energy crisis in Europe offer a cautionary tale of what could happen.

USD index not set to close the year at its highs ? 95.77-96.70 Bollinger holds the range .Nov PCE inflation & Durable Orders before markets go for Christmas break.

ECB's Peter Kazimir warned of upside inflation - Holzmann talked of "extreme" scenario for rate hikes in 2022. Close above 10 & 21dmas has shifted the bias from negative to neutral.1.1229-1.1362 BB defines the broad range.

Trade-weighted index at 6-yr high ought to concern China - No respite from reserve accumulation- USDCNY drifts in no-man's land within technical range 6.3627-6.3826.

British car manufacturers had slowest November in 37 years- Slowing growth even before Omicron- but Sterling had the

best day since Sept - Short covering on repeated failures to break twin Fibo props at 1.3166 - now to stay resisted at 1.3366 upper 21 day Bolli, 1.3375 Dec high and 1.3417 38.2% Oct Dec fall. Close above 1.3417 would be bullish signal, but needs major USD selloff.

Expected record Japan budget, but JGB FY issuance lower. Regardless, BOJ intent on YCC - keeping the yen weak. Add to that Oil and trade deficit . USDJPY at 120 plus next year . Nov. 26 peak at 115.525 could be tested by year end if it closes above pivotal resistance at 114.38.

USDINR does not bounce as expected- media related inflow(?) has hurt the "long only" bias - pain yet to subside - so slow recovery expected- Strangulated between firmer oil, softer dollar and the return of ' always stay rupee bullish ' crowd (which had been nursing wounds) - 75.55 to stay

in tact.