

An era -where the world could at least pretend about the prevalence of a “rules based international order” - ended yesterday. **Amidst the chaos of war there are no easy options left for the West as all the options come with costs and risks, -obviously there are no more easy paths**

Down one path is emboldening dictators to do as they please under the assumption that the West might just let them get away with it.

Down the other is the potential for high global inflation driven by sanctions and perhaps even a rerun of 1970's oil crisis.

It appears that Biden is not playing to galleries and is adopting a middle path -

which can be dubbed as escapist but that is possibly the most prudent one - incremental sanction strategy ( may be passed off as Powder Puff) intended to leave Putin a diplomatic off-ramp along the way. Markets will likely bubble along sideways now until we see Russia's next move. But this crisis is all but certain to deliver a global stagflationary shock.

Shutting down nuclear and outsourcing energy needs to East - be it plastic recycling, energy, or rare earth elements - leaves Europe exposed . When the flag goes up, it delivers body blows .As long as this crisis lasts, it would be a tough ask to be structurally bullish on Europe and as a corollary on EUR.1.1254, 38.2% of 2022 fall is the resistance.

Yuan a safe haven; Russian names piling

into Yuan .Bollinger downtrend channel effective on close below 6.3244 in USDCNY.

**GfK Consumer Confidence for February has plummeted.**-26 is worst since Jan 21. *Slowing consumer spend slows wheels of UK economy.*Combination of falling sentiment & inflationary pressures quandary for BoE . GBPUSD towards 1.3166-75 Dec 2021 low & 38.2% 20-21 rise.

**Tokyo area CPI: Headline +1.0% y/y ( exp 0.6%, prior was 0.5%).**Kuroda says no plan for an early modification of easy policy baking weakness into Yen . As expected waning significance of being a safe haven. USDJPY holding firm in 114.50 116.50 range .

USD/INR to obviously gap lower at open.  
IPO positions could have had a nasty exit  
yesterday except the brave. It takes  
courage to get into that again . Upside  
defence may be toned down .75.25 75.55.