S&P gave up with rally sellers re-asserting control once more. Simply put, any equity rally is seen as a loosening of financial conditions - diametrically opposite of what Fed is trying to do. Consequently, the 'buy the dip' strategy which has been almost foolproof since the GFC has now been turned on its head.

Everything is weakening at a faster clip than anyone expected - see the export orders in Flash PMIs yesterday from Europe and Japan - that does not bode well for short-term outlook for equities. Negative wealth effect of the $12 trillion (so far) fall in US equity market cap will outweigh the pool of excess savings.

USD index should escape from posting monthly losses for the first time in 2022. In the bigger picture, the thumbrule is that

USD weakness story in a period of trade weakness is untenable - equating rates and Central bans' hawkish turn with currencies may have some transient impact lasting few days .

If there's one way to make people worry that you're panicking, it's to tell them that you're not – especially if you're from a Central bank. Lagarde also said that the ECB "is not behind the curve", which is quite frankly laughable. More such stories in store today as she speaks in Davos . Markets believe her (!). **Germany June GfK consumer confidence -26.0 vs -25.5 exp. Despite Caught on the wrong side , would continue to be bearish on EUR.**

This sort of PMI is one where, in the past, BOE had actively loosened policy, rather than been in the midst of a tightening cycle.Ridiculously, markets still price a further 120bps (5 hikes) of tightening for the remainder of this year.Ofgem, the UK energy industry regulator, warned of a potential 40% hike in energy costs for October.Meanwhile 'partygate' drags on, .1.2592, 38.2% of the March-May fall was tested, but held on close .The 1.2156 2022 trend low is the potential range base.

USDJPY is declining after multi-year high of 131.35 on May 9.Over the past two weeks,it had declined by over 2 %. (worst 2-week period since June 2020). The price action sub 127.15 creates doubts - still an outside chance if it closes above 127.15 for the upside validation.

From selling equities to buying oil, we move on to selling reserves to buying oil . Oil window might be seen as admission of defeat - so wont happen. Age old tactics of "slog over hitting " to manage the daily close. To stay well protected at 77.50 given the beginning of the next big leg in Oil.