

The concerning aspect in the CPI numbers was the breadth of increases and the peak inflation narrative is almost traversing the same path " Transitory " went . The bottom line is U.S. inflation momentum is rising.

Its the shelter inflation that is causing concern.On a lighter note, Jim cramer tweeted that it's the last bad number . So better to stay prepared for endless run of bad numbers .

Talk of a full one percentage point hike- which would be the largest one-time increase - is gaining acceptance .Most of the countries face a dilemma of whether to let their respective currencies fall further, pushing up already record high inflation, or fighting back with more rapid rate hikes increasing the damage to the

economies hit hard by high energy costs. Out-of-cycle monetary policy tightening from Singapore & Philippines does 75 bp.

Oil : Physical and paper markets diverge - Chevron CEO says oil market still tight, price fall may be short-lived. A global recession is less likely to swing the needle as the global demand has not yet gone above 4 % (historically 7 % is the tipping point)

European Commission cuts 2023 GDP projection to 1.4% from 2.3%. Hikes inflation forecast to 7.6% in 2022 from previous 6.1%- Currency direction is pretty obvious - Clear break of 1.0000 opens ratchet to 0.9860 Dec 2002 low. Upside limited however, heavy from ahead of 1.0100.

Chinese cities arrange group-buying of homes. Latest move another attempt to prop up the market. *Chinese regulators have been asked to exercise greater caution when it comes to reviewing new overseas spending and investment plans.* *Capital controls ? - USD/CNY creeps higher 6.7299 break to see 6.8000 test.*

Leadership issue a negative -UK May GDP +0.5% m/m vs exp 0.0%. BoE hawkish? Support from 1.1820- option expiries at strike today. 1.1828 also low overnight 1.1808 spike low Tuesday. Upside capped by 1.1920.

Matsuno concerned by rapid yen weakening - "watching FX market even more closely while working with BoJ" - Speed of JPY weakness the issue, not weak JPY per se. Resistance above not till

139.00, 139.95 high in Sept 98.

USDINR in its own style to gap up at open and spend the whole day in ten paisa range respecting the regulator's dislike of volatility - is this not an expensive policy intent ? Obviously Poised for psychological 80.00 - if not today , it happens tomorrow .

