The markets think that central banks must choose between recession and inflation. This is a logical fallacy. Their mandate is not to design bloated leveraged growth; rather, it is the price stability.

Simply put, Recessions are not caused by central banks raising interest rates - but by years of excessive debt, malinvestment, and reckless risk-taking.GBP turmoil is nothing but arising out of balooning twin deficits - arithmetical expression of unbridled leverages -exacerbated by public debt.

Markets pausing for breath after sterling led turmoil.Volatility remains high- liquidity is scarce for now.USD dips to be shallow; Fed doubles down on hawkish policy.Fed speakers reinforced uptrend in yields.

Durable goods & cons confidence today.

Positive trending setup - 115.34 May 2002 high next long term resistance.113.37 upper 21 day Bolli a good indicator of a short term overbought market.(Friday's 113.01 close and Monday's 114.58 high initial support & resistance)

UK gilts led EZ yields to multi year highs, as winter looms.New right wing Italian govt -an issue. Lagarde says ECB won't use its latest emergency scheme to buy bonds of countries that make "policy errors.Recessionary German Ifo data, much weaker Belgian business confidence & widening BTP-Bund yields spreads.

USD/CNY firm at 7.1614 vs close 7.1354; PBOC fix at 7.0722 in between wide range of forecasts.Still shows significant amount of countercyclical damping

GBP/USD in febrile mood as BoE reaction awaited. Markets look forward to hearing Pill today (CEPR Barclays Monetary Policy forum).Close above NY 1.0934 high would be positive signal.GBP/USD resistance is now seen at 1.1000 and 1.1200 -61.8% Fibo of Sept 1.1738-1.0327 plunge -parity primary downside target.

BoJ carried out unscheduled JGB buying operation -thus cutting legs out from under the yen.Juicy yield spreads outweighing intervention worries.Psychological 145.00 first resistance, then pre intervention 145.90 high

As expected 81.65 hit. Pause and shallow pull back to be seen . Begins to learn to live in this new home .Thankfully , the pace of intervention slows down. Rising dollar debt-servicing costs - adding substantial number to invisible payments under CAD - Unlikely to have been noticed by markets. Refinancing short term FC debt is evolving into an issue & hence rupee credit growth ?