

The narrative bear markets end overnight is dangerous. In comparison to 2001, there can be five more relief rallies - the dynamics of the two bear markets are admittedly different but human emotions still remain same

Warcry : Squeeze out those hedges- sheer number of hedges put on before the CPI could explain the 43 minute squeeze from 11am to 11:43am. Rip your face rally may be less bullish than being seen. The joke is that stocks are rallying on the fact that it's now a whole 4 weeks before next CPI .

No doubt the market's grim fundamentals remain unchanged. Fed tightening would be aggressive at 75bp pace in November & possibly December. Monetary policy is

quickly getting restrictive but the markets once again are betting on pivot on the assumption that rates will peak slightly above 5%

Retail Sales will enjoy a 0.4% tailwind purely from higher prices. USD index : Neutral setup short term - weekly and monthly however still track north NY 112.14-113.92 range to hold .

Euro strong despite yield spreads, 10yr bund -4bp 2.30%, 10yr UST +6bp 3.950. ECB staff believe the market is over pricing ECB rate hikes. Bearish signals turning neutral-Bullish outside day. 0.9632-0.9806 NY range should contain .

**Singapore's monetary policy tightening today, for the 4th time this year.**

China's consumer prices in Sept rose at the fastest pace since Apr 2020, driven largely by food costs. **Communist Party week-long congress beginning Sunday.** USDCNY to reaffirm uptrend channel on close above 7.1730

Kwarteng heads home early from Washington. Fuels speculation that policy U-turn is close, though he denies it. Gilt yields fell on that speculation - will BOE end bond buying today? Better to stay aside as the latest 1.1160 short got squeezed . 1.0772 61.8% Sep/Oct rise and 1.1541 61.8% Aug/Sep fall are key levels.

USD/JPY's post-CPI rise to 147.665 was a 32-year high. 1998 post-1990 peak was at 147.64. Tsy-JGB spreads still at new post-GFC highs. For now Range 147.10-147.46 - wariness over intervention keeping lid on

things. Objective 149.38 - 149.53.

Realized vols. measured in terms of closing prices over last ten days, falls to 6.5% from recent peak of 8.7% - implying that markets getting comfortable trading the range 82.20 82.40 - reserves data today should be of interest .

