

Dovish Fed statement followed by Hawkish Powell and a whipsaw. On balance Hawkish tone prevails - Pivot nowhere close as Powell sees higher peak for rates. However **consensus Fed won't overshoot - Politically palatable data driven stance - Reality however is that he is hiking in the dark.**

So volatility to rise around data. If both the next couple of inflation readings (Nov 10th & Dec 13th) & payroll reports (Nov 4th and Dec 2nd) remain hot, they will have to remain aggressive.

USD index : 50% Aug-Sep rise at 109.70 resilient support last week remains pivotal support and hence 114.00 is the objective . For now 111.80 112.30 consolidation

EUR/USD to stay quiet ahead of payrolls. Resi at 10 dma at 0.9911 and Support at 61.8 of 0.9528/1.0093 at 0.9744.

Markets shrug off poor Caixin services PMI which fell to 48.4 - the lowest since May- Rise in cases - Simmering hopes for China reopen may get snuffed out. USD/CNH stays last 7.3169 from yesterday's close 7.3480. Price action suggests cherry-picking, or capping. Base moves up 7.2715

BoE has faced political and financial market turmoil since its last rate rise on Sep 22, a day before Truss's govt launched unfunded £ 45 bio package of tax cuts. BoE now faced with a difficult balancing act of orchestrating large hikes in recessionary economy -rate hikes wont yield currency strength .GBP USD has decisively broken 1.1454 - now 1.1316 21dma break to

signal1.0925 Oct low.

Kuroda hinted at chance of tweaking YCC policy down the road. Suzuki says there are pros, cons of weak yen - are they relenting - MoF & BoJ policy shifts? Tokyo holiday, so liquidity reduced. North Korea fires a missile - 145.68 NY low then last week's 145.11 base initial supports. To stay in 147.30 147.80 for now.

Obviously Rupee to stay weak- fresh challenge to overcome 83.00 - higher GST collections leading indicator for higher imports ? - Trade deficit whisper number at \$ 28 bio - so back into the structural range 82.80 83.30.

