

Markets fret at the risk of earnings downgrades & credit risks. Grinch selloff is in place after Micron delivered a gloomy outlook and as better-than-expected US data supported Fed's case for more ongoing rate increases.

Nov Leading Economic Index doesn't paint a rosy picture. Monthly declines getting larger & weakness spreading. Recession is coming as per this data. However surprise upward revision in final U.S Q3 GDP and Weekly jobless better than expected- less-dovish Fed ahead- Front-end of E\$ (FI) strip moves lower, hints Fed higher-for-longer

Today's Core PCE could have risen more modestly on a monthly basis than CPI, given lower weighting of shelter in index, leaving annual pace at 4.6%. Market still

is pricing in one rate hike in Feb but if the data does not break, a March hike to start getting priced in. Watch 104.10 plus Xmas close for upside traction in USD index

ECB's de Guindos : ECB might raise rates at current pace for a while. Brace for 50 bp hikes and turmoil .Position adjustments in thin seasonal market.EUR/USD now range-bound, 1.0573-1.0663 since Dec16.

China chip equipment imports plunge 40% y/y in Nov to US\$2.3 billion- lowest level in 2-years- the worst since May 20.Upside in USDCNY to target a test of 100 dma resistance 7.0252.Today's close above will enable rally toward BB 7.0763.

UK economy contracted more than first thought in Q3. No relief : UK car output +5.7% in Nov - Car prodn is 44.1% below

pre-pandemic 5-year average for Nov .BCC survey : Brexit deal a 'nightmare' for small busine - Compromise on the NI protocol urgently needed to reboot EU/UK trade. Wednesday's close below 1.2174 21 dma indicates test of 1.1634 38.2% Sep/Dec rise.

Pair stabilizing in 131.50-133 range since YCC tweak on Dec 20. Resistance 132.72 yesterday high, 133.70 -hourly pullback high on Dec 20- 133.85 100-hma.JGB yields also off post-YCC high.

Reserve data to show accretion in keeping with revaluation gains on Treasury and currency portfolio.USDINR to stay glued to the range 82.70 82.90 as fierce defence continues to be mounted at range highs just to avoid the pair closing the year at Calender year high .

