

This is a market that's begging for a bad news - but it's but clear that the payroll number would not be of help- doing nothing to argue against FOMC's worries about a still too-tight labour market. The past three jobs reports have showed payrolls chugging along at a strong monthly pace of 263k-284 k new jobs.

Labour force has expanded by an average of 79,000 each month since Feb 2022.

This meak growth is inadequate and hence It will take softer labour demand to bring down nominal wage growth and hence JOLTS has more relevance than payrolls in this juncture .This is one reason FOMC would continue hiking even as other sources of inflationary pressure,, have eased in recent months.

Nov Trade deficit shrunk by the most in 14

years on slowing domestic demand - smaller trade deficit contributed 2.86 percentage points to the 3.2% annualized growth pace in Q3. ADP, Weekly jobless & Challenger layoffs reinforced dollar-bullish JOLTS & seemingly odd rebound in ISM mfg employment index.

Persistence of upside on core inflation EURUSD downside momentum is building while consolidation of the fall from the Dec. 30 daily high is ongoing. Clear break below 1.0500 targets 55dma at 1.0368

**China could ease "three red lines" property rules - a huge policy shift.** Boost for property demand should normally fuel sector's revival. USD/CNH breaking 6.8710 200dma. Stop sales sent pair reeling to 6.8560 low which should hold for close above 6.8710

British shoppers defy cost-of-living crisis at Christmas. However UK inflation becoming entrenched amid worst worker unrest since the 1980s. MPC could shift from policy tightening to policy restraint. LBB at 1.1848 is key - 1.1873 session low is near 38.2% Fibo of the Oct-Dec rise - Break of this zonev targets test of 1.1634, 38.2% Sep/Dec rise.

Real wages fell 3.8% y/y at the fastest rate in more than eight years. Dec service-sector rebounded on weak yen led tourist boom. USDJPY as per script - Close above 134.00 would be a strong bullish signal for next week

This market never gives up to find a reason to stay rupee bullish - this is one more instance - Yuan strength is being

interpreted to imply rupee strength -trade deficit with China clocks more than \$ 73 bio - should it be read the other way ?  
However Markets jump with joy as USDINR marginally slips below 82.65 .Close above that would settle the debate .