

Rising geopolitical tensions between U.S. and Russia with China angle exacerbating the concerns amidst a rare revenue miss from Home Depot –some stronger-than-expected economic data & heightened fears Fed could keep interest rates higher for longer.

(This is the first time Home Depot missed on the top line since Nov 2018- 6% y/y decline in transactions though inflation boosted average ticket)

Russia has stepped back from a key arms control treaty with US. Russia has around 5,977 nuclear warheads -world's biggest.

Prelim US Mfg PMI rose to 47.8 while the Services PMI jumped to the eight-month high to 50.5 As a result, Global Composite PMI to 50.2. Markets expect benchmark

level peaking at 5.3% in July, and staying near those levels throughout the year, versus 5.10% expected by Fed previously.

Today's German Ifo business climate data may have more impact than usual. 10yr bund closed up 10bp to 2.553%, 10yr UST +13bp 3.954% a 3 month high. Well tested 10 dma @ 1.0691 should hold as the target is for a test of 1.0482 -2023 base.

China is pushing back against calls that say Taiwan is next. Yuan continues to slide this month, now having almost retraced all of its Jan gain. 6.8800 break signals 7.00 in the cards .

Surprise- flash Mfg PMI rose to 49.2 and Services PMI to a seven-month high of 53.3- data renews hawkish BoE outlook - pause in nurse strikes GBP positive as

well. However Brexit woes loom as the Eurosceptic Conservatives challenge Sunak over the talks on NI border issues 1.2059 - 1.2147 range for now.

Poor Japan PMI vs US PMI beat. **Tamura says appropriate to maintain monetary easing. Japan Services PPI +1.6% y/y. Tomorrow big day : BoJ nomination hearings & Japan CPI. USDJPY to rise to 38.2% of Oct-Jan drop at 136.66.**

About Indian bonds , prolonged, massive easing appears to have curbed the effect of the market mechanism. Time that the bond markets shed the timidity. Sell off in both Bonds and Equities to challenge the intervention offers in USDINR . Atleast for the day , protected at the range high at 82.85. -