

Sentiment is weak over debt ceiling uncertainty, a weakening consumer on sticky inflation, and as recession risks remain elevated. However markets subdued - content to await inflation data.

CPI data is set to confirm that US remains a "5% inflation economy" with Core inflation, at 5.5% confirming sticky nature (rebound in used vehicles & shelter).NFIB report shows sentiment plunges to weakest levels in a decade.

Considering the limited market stress that we are seeing, it doesn't seem like anyone is going to make any small concessions on Debt Ceiling negotiations.

Going forward, hard data matters a lot rather than commentary or speeches. Most striking recent confirmation comes from

the failure of ECB hawks to cause re-pricing higher in policy rates expectations.

EUR/USD closed below 21dma at 1.0998 - **signal** end of trend higher. Support : 38.2 of 1.0516/1.1096 move at 1.0874.

Market prices 25bp hike to 4.5% tomorrow at 96.2% - though Vulnerable ,1.2666 May 2022 top caps. Still in reversal camp for 1.2540 test

Ueda: It will take some more time to sustainably meet price target - not hinting at a clear path to exit from ultra loose policy -seems to have already opened the door to that possibility at least. 135.27 break to herald 137.75 .

Languishing in 82.00 82.25 range . There is a deluge of optimism & Markets

enormously short - can be perceived by
the flood of queries as to why the pair has
gone past 82.00 - now break past 82 25
to indicate test of 82.75