

If you keep an old pair of jeans, the style often comes back again," Kristin Forbes, a professor at the MIT Sloan School of Management, said .That can be said for monetary policy strategy, too. What Fed followed 40 years ago are the ones , they are returning to.

Monetary policy strategy that has come back into fashion in recent years: front-loading interest rate hikes as Central banks did in previous era rather than the gradualism that had been the hall mark in the post-financial crisis era.

The markets have to understand that present day Fed is more interested in cooling the economy down than it is in speeding it up. As a result, it might have to jettison the tools and strategies it had been using since 2008 and pick up some

even older ones. Tools like forward guidance were invented for use during crises and they're not a good idea now

Once this concept of regime shift is understood, its much easier to trade the noise surrounding Pause / Pivot

Debt Ceiling : The odds of an agreement are pretty low - *Should any X-date breach last a month or more and involve prioritization of debt payments it would mean immediately cutting spending by about 5% of GDP.*

Five ECB speakers today - EUR/USD has dropped below 38.2% Fib 1.0876. Support at 1.0806 where 100dma and 50% of Mar-Apr move converge.

China's recovery is losing steam- stalling -

key lies in private sector confidence- which is shaken beyond repair. Cutting lending rates further may not necessarily help much. Long awaited test of 7.00 done .

Bailey, speaks at the British Chambers of Commerce Global Conference. Stellantis says UK needs to renegotiate parts of the Brexit deal - BBC. (UK risks manufacturing moving to the EU to avoid). 1.2436 May base to break.

If USDJPY can't come down in this macro back drop of recessionary headlines and Debt ceiling, when it can come down ? Old dynamics no more relevant - Q1 GDP beat estimates-accelerated by 0.4% -first QoQ gain in three quarters. Close above 61.8% Fibon at 136.15 is bullish for 50% of Oct-Jan downmove at 139.58.

USDINR is gaining traction for test of 82.70 .