

Just a take on how modern day trading is shaping up - its not the conventional Fundamentals or Technicals any more at work - its what "machines" think that matters much . **(Quant-funds' net exposure to U.S. stocks is at the highest level since December 2021)**

*WSJ has a story on how **Quant funds, or those relying on computer models and automated trading, have been doubling down on equity markets even as other "savvy" investors have stepped back.***

Sentiment wanes as optimism surrounding debt ceiling deal fades.Furious lobbying to gain required approval is ongoing. The feeling at present is that McCarthy will get the numbers in the House (in combination with Dem votes).

On usual macros, Money supply 3-month annualized growth rate most negative since the GFC- its ultra restrictive .On Fed , tables are turned -from 64 % probability of pause in June , now we have 25-bp hike at 64% chance.

Data from European banks is showing the same worrying tendencies as in US - especially France Risk that banking crisis is brewing in Europe? EUR/USD bids at 1.0700 on Asian CB bid .Once they are done ,would see clear close below 1.0700 which sets up 76.4 % of 1.0516/1.1096 move at 1.0653.

The higher for longer USD rates narrative gained some traction through the week and with the rate divergence underpinning, we have the upmove in USDCNY. China

won't mind this - 7.0818 is the weakest fixing in six months. Looks our obj 7.1950 gettable after payrolls

Recovery off 1.2308 s/t trend low stalling. Two week weakness in GBP is intact. Converging 10 and 55 dmas at 1.2407-11 and as they hold 1.2285 coming

Ueda: Central bank will patiently maintain easy monetary policy. Suzuki: Must guide fiscal policy in line with the international norm. In this era of tighter monetary policy, they are trying to continue the obsolete policies - just extending invitations for buying USDJPY. 140.00 base to stay strong . Targets a test of major 142.49 resistance, 61.8% of the 2022-2023 fall. Break sets up 152.00

Monetary policy divergence - erosion of

carry - imminent jump in China trade deficit on CNY weakness - anchored to USDCNY nowadays more than USD index - changing dynamics - so the upside opens up and the range high 82.80 to break for 83.30 .