

Markets have been on a recession watch for well over a year - the most-promised and most highly anticipated but it has not materialised - it's shaping more like "Waiting for Godot," that infamous play of early 1950s that was part of a movement called, "Theatre of the Absurd," - makes total sense here. (The play's two characters are waiting for Godot, but Godot never arrives).

The drumbeat of strong US economic data continued with a drop in claims and a substantial surprise to Q1 GDP .

Bit of a different tail of tape elsewhere , as higher US rates & strong USD are starting to impose their will on sentiment. Another dimension worth pondering - everyone is rightfully focused on Fed QT and TGA refill, one shouldn't forget upcoming declines in

ECB liquidity- Global liquidity to deteriorate meaningfully in H2 (does this matter for equity markets as a conventional analyst would want to believe)

Economic woes on account of rapidly rising borrowing costs act as a headwind
EZ HICP today .Core expected to rise to 5.5% y/y. German headline inflation rose at 6.4% y/y (from 6.1% y/y in May). 1.0847 21 DMA, then last week's 1.0844 base are initial supports

China growth shock continues - Most sub-indices are declining in both mfg and non-mfg surveys - includes new orders, new export orders & employment. Calls for aggressive bazooka but it's likely to be more of a buck-shot spray of smaller more targeted measures that may not move the GDP needle. For now CNY depreciation is

the stimulus if you can count .7.4400

GBP ignores Bailey 's hawkish bias - just an example by rising rates alone, you cant get stronger currency - UK recession woes continues to mount .Car production is still 31.9% lower than in 2019- below 21dma @ 1.2636 a negative signal- 1.2591 NY low & 1.2578, 50% of May/June rise supports

In Sintra, Ueda ruled out possibility of any change. However Deputy Himino points towards signs of demand-driven inflation. Intervention narrative just to keep the markets awake -**Break above 145.00** could see the first objective 146.10 Fibo, a 76.4% 151.94-127.22 drop.

USDINR stays unmoved-Block deal flows today rumored -obviously to get an exit - Stock market euphoria & slumping carry

offset to keep the pair in the range 82.00-
82 05.