

Broad takeaway from not one or two, but *three* reports yesterday was that U.S. labour market stays remarkably robust . - ratchets up fear factor that Fed would have to be more aggressive. In just under two months, markets have gone from expecting four rate cuts to building a case for rates to 6%. If not higher .

ADP data normally isn't a big market mover but this jump in June too big - can still pick holes saying its seasonal - (*ADP picked up in June in 6 of the last 7 years*) *However, bear in mind that ADP underestimated BLS for 9 of last 11 months (and 14 of last 17 months)...* add Stronger-than-expected service ISM with both headline & employment indices rising a lot.

Turbulence in bond market is evident as the most chased asset of the last decade

Austrian 100 year bond - is close to it's all time low now- looks like one of those "it can't go any lower" charts. **Lagarde today -needs to push back concerns of policy pivot and German recession to convince Euro bulls. Back & forth trading 1.0840-90**

PBoC once again sets reference rate lower than expected. **State media says rapid depreciation of Yuan won't happen- read in affirmative if you go by past history -** Headlines sweeping as **Chinese investors rushing offshore to make USD deposits - 7.4400 obj**

GBP/USD consolidates first weekly gains in three- UK bond market is in "dumpster fire"- UK sells £4bn of debt at highest 2-year borrowing cost this century.-hopes for economy getting exceptionally bleak- yield chasers now at the wheel though - **Mann**

speaks today -1.2690 has to break for downside .

Negative real wage growth & sliding household spending - next BoJ July 27 & 28- data today does not suggest they will be in a rush to tighten. Moreso Uchida ruled out end to YCC. Close **above** June's 145.07 trend high would see 76.4% Fibon at 146.10. Major support is from 21 dma now by the 61.8% Fibon at 142.50.

Right now, there's just smoke, heat, and a little bit of flame developing here . Carry compression-universal complacency - dominant narrative that it cant happen to us - As expected 82.80 is here. Break sets up 83.30 - for now 82.60 82.80.

