

Its a good thing that Central banks don't have emotions , because if they did, Fed would be perpetually sad sack.

Even when they tighten or as they ease, Fed is not seen credible in the eyes of the markets . Something to do with Bernanke's baggage or "Transitory" mishap - If you have to trade on fundamentals, there is no case for markets to melt the dollar like what they have done this week -you can be right about everything macro, but wrong about the psychology.

Market has been selling the dollar post CPI as if Fed would embark on cutting rates & doing QE after July hike. (Watch for 1.1274/ 7.1400/ 1.3167/ 138.25 to decide course for next few weeks into Summer)

However , in the bigger picture , the current

fast pace of technological advancements, almost similar to the tech boom of the mid-1990s, would lead to a period of significant productivity growth as well as demand -thus Fed rate hikes & substantial USD strength. Don't simply write off Dollar yet.

Dont read too much into Claims which fell to 237k from 249k . it was for the week ended July 8th -which was just a 3 day week.Lower commodity prices, more normalized supply chains, mfg recession-all combined to give moderation in PPI.

Account from ECB's June meeting shows ECB's belief more tightening is necessary, The big resistance in the daily/weekly chart is at 1.1274 - 61.8% of 2021 to 2022 fall. **Caution longs to face a squeeze into the end of the week**

**Routine rhetoric - PBOC says it would correct pro-cyclical and one-way market behaviors, when necessary, to prevent big volatility in yuan. More they say, read it as they want yuan downtrend to continue - USDCNY should stay well above 7.1400 on this weekly close to hold bullish undertone**

**Big week for cable, +2.28% -Market pricing indicates BoE could raise rates from the current 5% to a cycle peak of 6.5%. Unlikely close above 1.3167 April 2022 top would be a strong positive for next week.**

**Former chief economist at BoJ Hayakawa expects BoJ to tweak YCC this month - (normally old timers get it wrong).Risk that USD/JPY downtrend threatens to close below 138.25 - 38.2% of 2023's advance. A close below that would put macro call**

for sustained Yen weakness into jeopardy .

Economy is slowing due to weaker private investment, slowing exports and reduced domestic demand - yes it's about India - if you go with a publication called Projects today . Lower carry & higher oil - paradigm not seen since ages - 82 to stay in tact.