

Leading Economic Index declined 0.7% in June, marking 15th consecutive monthly decline - below key recession threshold for over a year. (Composite index has now fallen to 106.1 from its all-time peak 117.8 in Dec 21). Had it not been for recent rally in stocks adding contribution of 0.20%, it would have been even more negative. But where is recession - appears lagging effects of high rates haven't even started

Weekly Jobless fell from 237k to 228k -continuing claims rose 33k to 1.75 mil. Philly Fed showed business conditions remain depressed, but also prices received surged from 0.1 to 23.0 -gentle reminder disinflation process won't be easy move .

ECBWATCH prices 27 July 25 bp hike at 98.26% & 47.58 bp Dec peak - the two-year

EUR-USD swap rate gap, has widened again in favour of the dollar- hovering at-115/-120bp. ECB speakers sparked a dovish moment for EUR rates - expect a **close below 1.1096**- prior range high in April/May- to decisively begin downtrend.

China steps up the fight against bearish bets - NDRC announced multiple measures to bolster automobile consumption while the Human Resource Ministry said that nation created 6.78 million new urban jobs in FH of 2023, achieving 57% of target. **China's SAFE says will forcefully prevent sharp volatility in the yuan. 7.1400 in tact .**

Mix politics into the already hot cocktail of recession & Inflation - you have heady stuff - Sunak is up for holding elections in Nov 2024 ? .Retail sales today will be the next data to sink.GBP .Close below 1.2824

38.2% of May/July rise **bearish** for next week

Japan June CPI, headline +3.3% y/y (exp +3.5%) -remained sticky, and elevated at a 32-year high.+326 pips rebound from the 137.24 swing low of 14 Jul 23. So its time to breathe - 139.50 141.00

USDINR unperturbed - 82.00 82.20.