

Macro excitement - strong set of US data , a dovish Lagarde and ofcourse the wild swings in sentiment pre and post BoJ -You can't ask for more ..

Biggest takeaway is that the markets finally are accepting that the World of low rates has ended - Higher for longer sinking in -10yr has re-hit 4%. The issue here is not the peak in policy rates, but the potential for cuts. Basically the market has reined back rate cut expectations and that's going to keep the long rates elevated.

Weekly claims came in at 221K versus exp 235K. Durable goods orders were much stronger than expected at 4.7% Q2 GDP in higher at 2.4% (exp1.8%). An abundance of upside risks to the inflation from the economy continuing to display significant resilience or fresh energy or food price

shocks.

Worries about a possible policy tweak by BOJ threw a wet blanket on a stretched U.S. stock-market - Dow was coming off its 13th consecutive day - close higher would have been the longest streak since 1897 - it was not to be - indication that the equity markets are indeed "concerned" with what's happening in the bond markets

Obviously too hard for ECB not to have hiked rates .Lagarde took many words to send simple message: ECB has switched off autopilot - what next ? **Hike, pause or stop? It's all possible in Sept** . EUR/USD to break 50% 1.0635/1.1276 at 1.0955.

Waterfall decline ahead ..as more longs purge .

BoJ has decided to adjust its yield curve

control framework to implement it more flexibly- has given a very minor YCC concession- exit from YCC inevitable but still has long way to go - large-scale JGB buying & make nimble responses for each maturity - this makes JPY still a weak currency. Tokyo CPI improves to 3.2% y/y from 3.1% previous vs 2.8% exp. To hold 137.95, July's lows are by 100- & 200-dmas - 138.00 141.00 wild ride- still would fancy upside beyond 145.00

BoE hike expectation dip- news suggesting dislike among Jeremy Hunt's advisers for BoE's rate hike - political pressure builds and markets don't like it a weebit - GBPUSD treads water at multi-day low after falling the most since March. 1.2824 broke at last - now all the way towards 1.2476.

Old habits die hard - it can't happen to us

kind of feel written all over - markets
Obviously short in USDINR - so predictable
-USDINR gap up open. Opens up road to
82.80. For now 82.20 82.50