

**Fitch downgrade should have little impact on financial markets - it mainly reflects governance and medium-term fiscal challenges - does not reflect new fiscal information- bizarre and perplexing .**

ISM index rose to 46.4, but remains in contraction territory. There was a slight increase in prices paid index to 42.6 - the employment index fell further to a very low 44.4 - not enough to guarantee a weak payrolls reading on Friday.

JOLTS shows labour market is rebalancing itself without the pain of a recession -rarity in modern economic history. Since late 2021, hiring has gone from insanely hot to pleasantly warm - in the backdrop of a renewed 'soft landing' narrative., continued potential for a robust USD performance

Oil atlast makes into headlines- Output from OPEC+ plunged by 900,000 bpd last month to an average of 27.79 MMbpd- biggest reduction since they slashed during depths of pandemic in 2020.

German unemployment increased by 62k in July - unemployed at 2.617 million.-  
- labour market is starting to show first cracks on account of struggling economy - current wave of surging wages should be temporary & represent more of a 'catch-up'  
1.0955 break awaited for deep downtrend.

**China's home prices declined further in Jul, second-hand home prices fell for 15th straight month.** The recent decline of RMB260B in mortgage loan balances to RMB38.6T is indicative of a deteriorating real estate market. Tight leash on USDCNY centering 7.1400

**GBP Bears Relentless-** mounting fears of the UK recession & Hawkish BOEWATCH turn- 50pt 5.5% hike at 38.97% from 26.7% at Friday's close. 1.2742 New York low, and 1.2726, 50% May/July rise are key

**BOJ June minutes : members agreed must maintain current easy monetary policy.**

Uchida : "Japan is now at a phase where it's important to patiently maintain easy policy - there is still quite a long distance before conditions fall in place to raise short-term rate target " - 143.02 is done, USD/JPY on track to June's 145.07 peak

Shades of nervousness on Reuters story : Russia being reportedly in " Rupee trap" -appears to be case of longer the war greater the urgency of funds - 82.20 82.50 consolidation before 82.80 test .

