

Too crushing July retail sales - rose 0.7% and for an added flex, gain comes despite upward revisions. Consumer is supposed to be the key driver for soft landing calls - but resilience is getting too strong. Atlanta Fed estimates Q3 GDP growth of 5.0%

Notwithstanding the rising delinquencies, higher consumer financing costs and the erosion of pandemic-era savings, it's possibly the rapid wage increases that continue to boost consumer spending. How can Powell keep quiet? Jackson hole is emerging as a key risk now.

Empire State Mfg Index slumped to -19.0 from 1.1 prior while the US Export Price Index and Import Price Index improved on MoM in July but edged lower on a yearly basis. NAHB fell on idiosyncratic reasons - distribution transformer shortage.

**Tale of Two central banks:** China slashed its policy rate while Russia hiked - Different set of economic issues plague Russia and China - surprising moves show they are ramping up actions to stem intensifying pain roiling their economies.

Slew of second-tier data from the EZ today

**Early signs that European Energy Crisis may come back.** Obj 1.0879, 61.8% May-July rise - and this week's 1.0874 low - break there puts 1.0730 into reckoning .

Last year it was Evergrande which spooked markets and this year Country Garden follows suit. China appears to be in a lot worse shape than initially thought. Ahead of some key data, PBOC decided to be proactive & delivered a surprise rate cut- they know more than markets mindset

USD/CNY fix - largest deviation since Oct last year. PBoC appears to want to slow the pace of the yuan's decline - doesn't seem too concerned by the weakening yuan itself. 7.4400

UK basic wage growth hit record- Average pay excluding bonuses exceeded estimate of 7.4%, rising 7.8% in the three months through June- will keep the pressure on BOE to deliver more tightening. September & November meetings in play. To hold  
Early London 1.2680 low & 1.2627 61.8%  
May/July fall.

Japan's economy grew at its highest pace in two years - clear from the data that the growth came mostly from exports.

USDJPY quite close to 76.4% of 2022-23 descent at 146.105. Would **close above** for 2023's rising channel top by 148.00

Holidays help save some ammunition -  
Clockwork precision of seasonals - lifetime  
high in USDINR in Mid August -