

In an era of instant gratification, it should not be a surprise that the risk market has been trending ahead of itself since last one year - possibly its hightime they pause to have a realistic check.

Word of caution : Pertinent to note that Large stock market declines—when they occur—tend to happen more often in the second half of the calendar year. Most of the 10 % or more six-month drawdowns in the S&P 500 since 1950 began in August.

To all those., who expect Inflation to ease off and Good old days will be back soon, Argentina can be a story worth following - it balloons its monetary base to finance excessive public spending believing inflation is multicausal and that everything is solved with increasing doses of interventionism. So far this year, monetary

base has increased by 43.83 % which is utter madness. Price inflation is 58.2 %

FOMC minutes showed that many thought it would take below-trend growth to bring supply and demand back in balance. But growth continues to be robust - It's too early but the trend is unmistakable as the Atlanta Fed tracker continues to point to strong growth- **Atlanta Fed Q3 GDPNow tracker raised to a sizzling 5.8% from 5.0%**

Higher for Longer stays the narrative although the markets do not seem to want to accept .

Average mortgage taken out for purchase last week was \$417,200, which at 7.16% works out at a monthly payment of \$2,820. At mortgage rates prevailing late 2021 that same monthly spend of \$2,820 would have

meant \$670,000 borrowing.

As logic would have it , there should have been a slow down in housing - However total housing starts rose 3.9% to a 1.45 million-unit pace during July - diverging trend between single-family & multifamily activity was once again evident.

Better set of data in EZ - IP improved to 0.5% m/m in June- GDP for Q2 at 0.3% - **Modest economic growth but pressure remains on households.** Widening US-German yield spreads sustain pressure on EUR/USD. **Break below 1.0820 targets 200-dma at 1.0789.**

As China's economic slump worsens, there is a sense of nervousness gripping the region .7.4400 seems easy to get to .

Core inflation supports tightening. Well tested 1.2627, 61.8% of the May/July fall is pivotal support. 1.2620 1.2720 range

Mixed prints of Trade Balance and upbeat Machinery Orders for June - USD/JPY now past 76.4% 2022-23 151.54-127.215 slide at 146.105 .Seventh straight day with higher lows and highs is most since Oct That shortly before 32-yr 151.94 peak was made. For now next pitstop at 148.00

Defence in offshore in the last two days reportedly one of the largest in the recent times - more so , single stock flows not appear sensitive to global macros - 83.00 83.30 should hold.

